CANADIAN COUNCIL
OF
PUBLIC ACCOUNTS COMMITTEES

Eighth Annual Conference

Regina, Saskatchewan — July 6 - 9, 1986

86-05704/

DELEGATES AND PARTICIPANTS

Archibald, George G. (Chairman)	Nova Scotia
Baker, Winston (Chairman)	Newfoundland
Belisle, Jean-Pierre (Member)	Quebec
Blake, Dave (Chairman)	Manitoba
Follwell, Missy (Clerk)	Yukon
Garon, Jean (Vice-Chairman)	Quebec
Guilbault, Jean-Guy (Vice-Chairman)	Canada
James, Craig (Clerk)	Saskatchewan
Katzman, Ralph (Member)	Saskatchewan
Klein, Jack (Member)	Saskatchewan
Lea, Graham Richard (Chairman)	British Columbia
Lemieux, Jean-Guy (Chairman)	Quebec
MacPherson, Lynwood (Chairman)	Prince Edward Island
McCallum, Arnold (Chairman)	Northwest Territories
McKee, Michael (Chairman)	New Brunswick
McLachlan, James Robert (Vice-Chairman)	Yukon
Major, Alain (Clerk)	Quebec
Martin, Jean G. (Clerk)	New Brunswick
Montagano, Noel (Researcher)	Northwest Territories
Nicholson, Aideen (Chairman)	Canada
Pashak, Barry (Chairman)	Alberta
Patterson, William (Past Member)	Newfoundland
Porter, Richard (Researcher)	Newfoundland
Richard, Ted (Member)	Northwest Territories
Rumas, Richard (Clerk)	Canada
Shillington, Ned (Member)	Saskatchewan
Tchorzewski, Ed (Chairman)	Saskatchewan
Webster, Arthur Victor (Member)	Yukon
Young, Kim (Member)	Saskatchewan

BUSINESS and SOCIAL PROGRAM

SUNDAY, JULY 6, 1986

Reception — Hotel Saskatchewan, Library and adjacent Blue Room with Legislative Auditors	6:00 p.m.

MONDAY, JULY 7, 1986

Depart for Legislative Building	8:45 a.m.
Message from His Honour F.W. Johnson, Lieutenant Governor	9:15 a.m.
Business session Legislative Assembly Chamber Panel discussion between Hon. R.L. Andrew Minister of Economic Development and Trade and Mr. E.B. Shillington, MLA	9:30 a.m.
Topic The Role and Effectiveness of the Public Accounts Committee and the Need for Reform	
Coffee break in Opposition Lounge	10:30 a.m.
(Tours of Legislative Building available on the half hour)	
Business session Legislative Assembly Chamber	
Alberta	10:45 a.m.
Ottawa	11:15 a.m.
Depart for Centre of the Arts	11:45 a.m.
Lunch — Centennial Lobby, Centre of the Arts	12:00 p.m.
Official Photograph (Front steps of Legislative Building)	1:30 p.m.
Business session Legislative Assembly Chamber	
British Columbia	2:00 p.m.
Prince Edward Island	2:30 p.m.
Coffee break in Opposition Lounge	3:00 p.m.
Business session Legislative Assembly Chamber	
Manitoba	3:15 p.m.
Newfoundland	3:45 p.m.
Depart for Hotel Saskatchewan	4:30 p.m.
Depart for Sherwood Forest Dinner and western evening with Legislative Auditors — Casual dress	6:00 p.m.

TUESDAY, JULY 8, 1986

Depart for Legislative Building	8:45 a.m.
Business session Legislative Assembly Chamber Ontario Northwest Territories	 9:15 a.m. 10:00 a.m.
Coffee break in Opposition Lounge	10:30 a.m.
Business session Legislative Assembly Chamber Nova Scotia New Brunswick	 10:45 a.m. 11:45 a.m.
Depart for Lunch at Wascana Marina Restaurant	12:45 p.m.
Depart for Hotel Saskatchewan	2:00 p.m.
Business session Saskatchewan Suite, Hotel Saskatchewan Joint business session with the Conference of Legislative Auditors 1— Presentation by the Public Sector Auditing and Accounting Standards Committee 2— The expectation gap between Legislative Auditors and Public Accounts Committees	 2:15 p.m.
Depart for Wascana Country Club Reception and dinner with Legislative Auditors and Mrs. Devine Hosted by the Hon. Grant Devine, Premier of Saskatchewan	6:30 p.m.

WEDNESDAY, JULY 9, 1986

Depart for Legislative Building	8:45 a.m.
Business session Legislative Assembly Chamber Quebec Yukon	 9:15 a.m. 10:00 a.m.
Coffee break in Opposition Lounge	10:30 a.m.
Business session Legislative Assembly Chamber — Council Business	10:45 a.m.
Press conference by the Executive in Government Lounge	11:30 a.m.
Depart for Hotel Saskatchewan	11:45 a.m.
Depart for Big Muddy Badlands (Lunch en route/Casual dress)	12:30 p.m.
Arrive Big Muddy Badlands for tour and coffee break	2:30 p.m.
Depart for farm and barbecue	5:00 p.m.
Depart for Regina	9:00 p.m.

THURSDAY, JULY 10, 1986

Hosted departures

SPOUSES PROGRAM

MONDAY, JULY 7, 1986

Depart Hotel Saskatchewan	9:20 a.m.
Tours: Natural History Museum, Diefenbaker Homestead, Wascana Park	
Arrive Jennifer's Restaurant — Lunch and Fashion Show	11:30 a.m.
Afternoon free	

TUESDAY, JULY 8, 1986

Depart Hotel Saskatchewan	9:30 a.m.
Tour of RCMP Chapel, Gym, Grounds, Museum and Drill Hall	10:00 a.m.
Depart RCMP Barracks	11:15 a.m.
Tour of Government House	11:30 a.m.
Depart Government House	12:30 p.m.
Lunch at Michael's Restaurant	1:00 p.m.
Afternoon free	

CONFERENCE STAFF

Craig James

Gordon Barnhart

Joyce Rublee

Lorraine Archer

Joe Melia

Donelda Klein

Frances Gerlach

Gary Ward

Ihor Swanyk

Kerry Bond

Lorraine deMontigny

Bill Goodhand

Rose Zerr

Incoming Executive (1986-87)

M. Jean-Guy Lemieux, MNA (Quebec), President

Mr. George G. Archibald, MLA (Nova Scotia), First Vice-President

Mr. Barry Pashak, MLA (Alberta), Second Vice-President

Mr. Alain Major, Clerk (Quebec), Secretary

Mr. Craig James, Clerk (Saskatchewan), Executive Secretary

Outgoing Executive (1985-86)

Mr. Ed Tchorzewski, MLA (Saskatchewan), President

M. Jean-Guy Lemieux, MNA (Quebec), First Vice-President

Mr. George Archibald, MLA (Nova Scotia), Second Vice-President

Mr. Craig James, Clerk (Saskatchewan), Secretary

THE CANADIAN COUNCIL OF PUBLIC ACCOUNTS COMMITTEES
Executive 1985-86

George Archibald, MLA, Kings North, (Nova Scotia); Chairman, Public Accounts Committee; Second Vice-President of the Council.

Jean-Guy Lemieux, MNA, Vanier, (Quebec); Chairman, Budget and Administration Committee; First Vice-President of the Council.

Ed Tchorzewski, MLA, Regina North East, (Saskatchewan); Chairman, Public Accounts Committee; President of the Council.

Craig James, Clerk Assistant, Saskatchewan Legislative Assembly; Clerk, Public Accounts Committee; Secretary to the Council; Conference Co-ordinator.

Delegates, Committee Clerks, Researchers and Conference Organizers
Eighth Annual Meeting of the Canadian Council of Public Accounts Committees.

CONSTITUTION

Canadian Council of Public Accounts Committees

(Approved July 6, 1982)

1. The Canadian Council of Public Accounts Committees is hereby established.

2. The aims of the Council are:

   (a) To facilitate the exchange of information and opinion relating to Public Accounts Committees, and to discuss matters of mutual concern;

   (b) To improve the quality and performance of Public Accounts Committees in Canada to ensure that taxpayers are getting value for money;

   (c) To work with the Auditors General so as to improve the effectiveness of both the Auditors and the Public Accounts Committees;

   (d) To work with individuals and organizations knowledgeable about matters of concern to Public Accounts Committees;

   (e) To educate the elected Members, the media and the general public as to the purposes and activities of Public Accounts Committees.

3. Membership in the Council is open to legislators who are members of all Canadian Public Accounts Committees or of similar legislative committees scrutinizing public spending.

4. The Council shall meet annually, with the meetings open to legislators and staff of the Public Accounts Committees.

5. In case of questions to be decided at the annual meeting, one vote may be cast by the House of Commons Public Accounts Committee and by the Public Accounts Committee (or equivalent) of each province or territory.

6. (a) The Board of Directors of the Council shall be composed of a President and two Vice-Presidents, elected by the Council, and serving at pleasure; whenever possible, the Public Accounts Committee Chairman of the jurisdiction in which the annual meeting is to be held shall be a member of the Board of Directors. The members of the Board shall be chairmen of the Public Accounts Committees, or similar bodies, and shall be elected at an Annual General Meeting.

   (b) The Board of Directors shall meet twice yearly.

   (c) The Board of Directors shall appoint a Secretary of the Council to perform such administrative and research duties as may be assigned by the Council and the Board.

7. (a) A quorum of the Council shall be 7 voting members.

   (b) A quorum of the Board shall be 2 voting members.

CONSTITUTION

Conseil Canadien Des Comités des Comptes Publics

1. Le Conseil canadien des Comités des Comptes publics est établi par la présente Constitution.

2. Les buts du Conseil sont les suivants:

   (a) de faciliter l'échange d'information et d'opinion reliés aux Comités des Comptes publics, et de discuter de sujets d'intérêt commun;

   (b) d'améliorer la qualité et le rendement des Comités des Comptes publics pour s'assurer que l'argent des contribuables soit dépensé de façon efficace;

   (c) de travailler avec les Vérificateurs généraux de façon à améliorer l'efficacité des Vérificateurs généraux ainsi que des Comités des Comptes publics;

   (d) de travailler avec des particuliers et des associations informés en ce que concerne les affaires propres aux Comités des Comptes publics;

   (e) d'informer les députés élus, les media et le grand public en ce qui a trait aux objectifs et activités des Comités des Comptes publics.

3. L'adhérence au Conseil est ouverte aux législateurs qui sont membres des Comités canadiens des Comptes publics ou des Comités législatifs semblables qui s'occupent d'analyser les dépenses publiques.

4. Le Conseil se réunira annuellement, et les réunions seront ouvertes aux législateurs et au personnel des Comités des Comptes publics.

5. Au cas où des questions devraient être débattues lors de la réunion annuelle, le Comité des Comptes publics de la Chambre des Communes aurait droit à un vote ainsi que le Comité des Comptes publics (ou l'équivalent), de chaque province ou territoire.

6 (a) Le conseil d'administration du Conseil est composé d'un Président et de 2 vice-présidents, élus par le Conseil et agissant en bon vouloir; lorsque cela est possible, le président du Comité des Comptes publics dont la juridiction se trouve être le site de la prochaîne réunion annuelle, devrait faire partie du conseil d'administration. Les membres du conseil d'administration doivent être élus lors de chaque réunion annuelle.

   (b) Le conseil d'administration se réunira deux fois par an.

   (c) Le conseil d'administration nommera un Secrétaire qui remplira des fonctions administratives et de recherche selon les directives du Conseil et du conseil d'administration.

7. (a) Un quorum du Conseil se composera de 7 membres votants.

   (b) Un quorum du conseil d'administration se composera de 2 membres votants.

Annual Meetings
of the
Canadian Council of Public Accounts Committees

Number	Date	Location
1.	August 13 - 15, 1979	St. John's
2.	August 11 - 13, 1980	Winnipeg
3.	July 6 - 8, 1981	St. Andrews
4.	July 5 - 7, 1982	Victoria
5.	July 10 - 13, 1983	Toronto
6.	July 9 - 11, 1984	Charlottetown
7.	July 8 - 10, 1985	Whitehorse
8.	July 6 - 9, 1986	Regina
9.	1987	Quebec
10.	1988	Nova Scotia*
11.	1989	Alberta*
12.	1990	Newfoundland*
13.	1991	Manitoba*
14.	1992	New Brunswick*
15.	1993	Ontario*
16.	1994	Prince Edward Island*
17.	1995	Canada*
18.	1996	British Columbia*
19.	1997	Saskatchewan*

* Conference of Legislative Auditors future, confirmed locations.

Canadian Council of Public Accounts Committees
Mid-Winter Executive Meeting
Quebec National Assembly
March 22, 1986

1. PRESENT: Mr. Jean-Guy Lemieux, MNA; Mr. Jean Garon, MNA; Mr. Ned Shillington, MLA; Mr. George Archibald, MLA, Mr. Alain Major; Mr. Tonu Onu; Mr. Craig James.

2. Mr. Ned Shillington reviewed the history of the Canadian Council of Public Accounts Committees and welcomed Messrs. Lemieux and Archibald to the organization.

3. The Executive agreed that it is the responsibility of the Canadian federal government to provide simultaneous translation services to all annual meetings of the Council and to transcribe the proceedings into English or French depending upon the host province sponsoring the annual meeting.

4. The Executive agreed to communicate directly with the Prime Minister under whose jurisdiction is the Canadian Intergovernmental Conference Secretariat, regarding the provision of simultaneous translation services.

5. The Executive reviewed the Council's constitution and agreed to the following amendments subject to ratification by the membership at the annual meeting in July 1986:

Section 1 — agreed to as is.

Section 2 — agreed to as is.

Section 3 — amended to read:

> Membership in the Council is open to legislators who are Members of all Canadian Public Accounts Committees or of similar legislative committees scrutinizing public spending and to Committee Clerks.

Section 4 — agreed to as is.

Section 5 — agreed to as is.

Section 6

6(a) — agreed to as is.

6(b) — amended to read:

> The Board of Directors shall meet once yearly between the annual meeting.

6(c) — amended to read:

> Whenever possible, the Committee Clerk of the jurisdiction in which the annual meeting is to be held shall be secretary to the Board of Directors.

6(d) — added to read:

> An Executive Secretary shall be elected every two years at the annual meeting and whose function it will be to co-ordinate the publication of the Public Accounts Committees series in the Canadian Parliamentary Review for each issue published.

6. The Executive approved the Council's 1986 conference agenda and instructed the secretary to transmit the agenda to the membership.

7. The Executive agreed to recommend that other Canadian post-expenditure review committees be invited to join the Council and to attend the annual meetings as full members.

8. The Executive proposed that Quebec consider placing the issue of comprehensive auditing on the conference agenda for the Council's 1987 meeting.

9. The Executive agreed to recommend that to facilitate a CCPAC archives, each jurisdiction should deposit in their respective parliamentary library, the CCPAC conference proceedings.

10. The Executive agreed to recommend that each jurisdiction deposit in all parliamentary libraries in Canada a complimentary of all reports, verbatims and other public documents (except exhibits) published by the Public Accounts Committee, in a timely fashion.

11. The Executive reviewed the issue of a fee levy and recommends that no fee levy be implemented. It was agreed to refer the matter of conference registration to the membership at the annual meeting in 1986.

12. It was agreed that Messrs. James and Major report to the Executive before June 1, 1986 upon a comparison of the rates of taxation and expenditure at the provincial level across Canada.

13. The meeting adjourned *sine die* at 5:55 p.m.

Ned Shillington
President

Craig James
Secretary

Canadian Council of Public Accounts Committees

MINUTES OF PROCEEDINGS

Eighth Annual Meeting

Regina, Saskatchewan
July 6 - 9, 1986

Monday, July 7, 1986 9:15 a.m.

1. Mr. Ed Tchorzewski MLA, President of the Canadian Council of Public Accounts Committees, welcomed delegates to the eighth annual conference.

2. Participants in the annual meeting introduced themselves.

3. Panel discussion on the role, effectiveness and need for reform of Saskatchewan's Public Accounts Committee was presented by the Hon. R.L. Andrew and Mr. E.B. Shillington, MLA.

4. Mr. Barry Pashak presented an overview of Alberta's Public Accounts Committee.

5. Ms. Aideen Nicholson presented the House of Commons paper entitled, "Procedures and Practices of the Standing Committee on Public Accounts."

6. Mr. Graham Lea presented British Columbia's perspective on Public Accounts Committees.

7. Mr. Lynwood MacPherson presented an overview of Prince Edward Island's Public Accounts Committee.

8. Mr. Dave Blake presented an overview of Manitoba's Public Accounts Committee.

9. The Council adjourned at 4:30 p.m.

Tuesday, July 8, 1986 9:15 a.m.

1. Mr. Winston Baker, Newfoundland, presented a paper entitled, "How much information does the Auditor General need to audit for Compliance with Authority."

2. Mr. George Archibald presented an overview of Nova Scotia's Public Accounts Committee.

3. Mr. Arnold McCallum presented a paper entitled, "The Public Accounts Committee in the Northwest Territories."

4. Mr. Michael McKee presented an overview of New Brunswick's Public Accounts Committee.

5. A joint business session was held with the Conference of Legislative Auditors on, "Financial Reporting Standards" (Mr. John Kelly, C.I.C.A.) and "The Expectations gap as it relates to Legislative Auditors and Public Accounts Committees." (Neither topic was recorded).

6. The Council adjourned at 4:45 p.m.

Wednesday, July 9, 1986

9:15 a.m.

1. M. Jean-Pierre Belisle presented Quebec's perspective on the function of a Public Accounts Committee.

2. Mr. Jim McLachlan presented a paper entitled, "Developing Performance Measurement Indicators in Yukon: Watching Mountains Grow."

3. **COUNCIL BUSINESS**

   1. Resolved, that simultaneous translation services be provided at all future CCPAC conferences. (Katzman)

   2. Resolved, that a lapel pin be not proceeded with at this time. (Blake)

   3. Resolved, that the minutes of the Council's Seventh Annual meeting be adopted. (Blake)

   4. Resolved, that Section 6(b) of the Council's Constitution be amended to read, "The Board of Directors shall meet once yearly between the annual meeting." (Nicholson)

   5. Resolved, that Section 6(c) of the Council's Constitution be amended to read, "Whenever possible, the Committee Clerk of the jurisdiction in which the annual meeting is to be held shall be secretary to the Board of Directors." (Baker)

   6. Resolved, that section 6(d) of the Council's Constitution be amended to read, "An Executive Secretary shall be elected every two years at the annual meeting. And whose function it will be to co-ordinate the publication of the Public Accounts Committees series in the Canadian Parliamentary Review." (Archibald)

   7. Resolved, that Mr. Lemieux be elected as President of the Council for 1986-87. (McCallum)

   8. Resolved, that Mr. Archibald be elected as First Vice-President of the Council for 1986-87. (Belisle)

   9. Resolved, that Mr. Pashak, in absentia, be elected Second Vice-President of the Council. (Blake)

   10. Resolved, that the Ninth Annual meeting of the Canadian Council of Public Accounts Committees be held in Quebec. (Katzman)

   11. Resolved, that the Immediate Past President remain on the Council's Executive for one year. (Archibald)

4. The Council concluded its Eighth Annual meeting at 12:00 noon.

Mr. Chairman: — I would like to welcome the delegates to Regina and the province of Saskatchewan. I have had an opportunity to meet most of you or almost all of you last night at the reception. I will not take a great deal of time this morning. I simply want to say that we do hope that your stay here is a pleasant one in our province and that, along with the work that you will be doing which is on the business portion of the agenda, you will find the other functions which have been arranged pleasant and worthwhile as well. I'm not going to describe them to you, but you have no doubt seen in your kits and in the program that there are functions both within the city and outside of the city, so it will be a relatively busy time.

I would like to begin this morning by reading to you a letter which is in the form of a message from His Honour, the Honourable F. W. Johnson, who is the Lieutenant Governor of Saskatchewan:

> I want to take this opportunity to welcome to Regina and Saskatchewan all of those MLAs, MNAs, and MHAs, and MPs whose legislative work includes, among other duties, assignments to their respective public accounts committees, and subsequently, membership in the Canadian Council of Public Accounts Committees.
>
> This interprovincial conference assembles annually a select group of parliamentarians who exchange views on the role of the public accounts committees in the context of their own environments, which are as diverse as the regions from which you hail.
>
> During these next three days you will engage yourselves in debate on issues arising out of the inquiries in the past year in your own committees and bring to this annual meeting your unique perspective on how you resolved your concerns.
>
> Your business sessions will be held in the Saskatchewan Legislative Assembly Chamber, which I know will replicate the aura of debate you are used to at home. You will be treated to a tour of one of the most spectacular regions of the province, the Big Muddy area of southern Saskatchewan, where many of the old western legends originated and where you will discover many exciting geological formations and experience the hospitality of a ranch-style barbecue on a model farm in the area.
>
> I know that the eighth annual meeting will instill in you a further desire to increase your effectiveness as scrutineers of the public purse. May your deliberations be rewarding and your visit to Saskatchewan enjoyable. (Signed) F. W. Johnson, Lieutenant Governor, Province of Saskatchewan

Before I go into some descriptions of some of the services and facilities that will be made available to you, may I just stop for a moment and ask if maybe we can have some introductions. If you would first of all be reminded of this: normally in this Chamber the television cameras — and you're being recorded on our television system here — our legislature is televised live when it is sitting. We're not being televised live during these proceedings, but you will be recorded; these proceedings will be recorded. And I'll mention to you later that videos will be made available to you at a nominal cost if you wish to have them for posterity or whatever.

So if I may: remain seated; in order to get the attention of the lady who's operating the *Hansard* straight back of me — she will have to lock in your mike, and the television cameras then, by computer, automatically focus in on you. But they have been arranged so that they focus in on you as you are seated in your chair rather than standing up, as normally would be the case, because I am told that when the members are here they have them all set geared to our height. They did not know all of your heights, so they decided that they would leave it as it is and take your pictures in your seats. So signal when you are ready or if you want to speak at any time, and the *Hansard* operator will make sure that it is recorded as required.

So if I may start with Alberta, please introduce yourself, and we'll just go down the line here and come around.

Mr. Pashak: — Okay. My name's Barry Pashak. I'm the MLA for Calgary Forest Lawn. I'm chairman of the public accounts committee, I guess.

Mr. Blake: — I'm Dave Blake from Manitoba. I'm MLA for the constituency of Minnedosa and chairman of the public accounts committee.

Mr. Lea: — My name is Graham Lea. I'm chairman of the public accounts committee, MLA for Prince Rupert. That's in British Columbia, of course.

Mr. Martin: — My name is Jean Martin. I'm Clerk Assistant and also secretary to the public accounts committee, New Brunswick.

Mr. McKee: — I'm Mike McKee. I'm an MLA from New Brunswick, the riding of Moncton, and I'm chairman of public accounts.

Mr. Baker: — Winston Baker from Gander, Newfoundland, chairman of the public accounts committee.

Mr. Guilbault: — Jean-Guy Guilbault, député Drummond, vice-président des comptes publics du Canada.

Ms. Nicholson: — I'm Aideen Nicholson, member of parliament for Trinity and chairman of the public accounts committee of Canada.

Mr. McCallum: — I'm Arnold McCallum, chairman of the public accounts, the Government of the Northwest Territories. My riding is in Fort Smith.

Mr. Richard: — Ted Richard, MLA, Yellowknife South, Northwest Territories.

Mr. Rumas: — Richard Rumas, clerk of the public accounts committee of Ottawa.

Mr. Porter: — Dick Porter. I'm the research officer of the committee in Newfoundland.

Mr. Patterson: — Bill Patterson, MHA for Placentia district, Newfoundland.

Mr. Montagano: — My name is Noel Montagano. I'm the committee researcher for the Standing Committee on Finance and the Standing Committee on Public Accounts in the Northwest Territories.

Mr. Garon: — Jean Garon, député de Lévis, Parti Québécois, vice-president de la commission du budget et de l'administration.

Mr. Belisle: — Jean-Pierre Belisle, député du comté Mille-Iles, membre de L'Assemblée Nationale du Québec.

Mr. Lemieux: — Jean-Guy Lemieux, membre du parlement, député de Vanier, chairman of committee on budget and administration, président de la commission du budget et de l'administration.

Mr. Major: — Alain Major from Quebec, secretary of committee on budget and administration.

Mr. Archibald: — George Archibald. I'm MLA for Kings North in Nova Scotia. I'm chairman of the Nova Scotia public accounts committee.

Mr. MacPherson: — Lynwood MacPherson, 4th Queens MLA, Prince Edward Island, chairman of public accounts committee.

Mr. McLachlan: — Jim McLachlan, MLA, riding of Faro, Yukon Territory, and vice-chairman of the public accounts committee for Yukon Territory.

Mr. Webster: — Art Webster, MLA for Klondike in the Yukon. I'm a member of the public accounts committee.

Ms. Follwell: — Missy Follwell, clerk to the Yukon public accounts committee.

Mr. Katzman: — Ralph Katzman, member of the public accounts committee in Saskatchewan.

Mr. Young: — Kim Young. I'm an MLA from Saskatoon Eastview, one of the 10 constituencies in Saskatoon, and I'm a member of the Saskatchewan public accounts committee.

Mr. Shillington: — Ned Shillington, a member of the legislature for Regina Centre and a member of the public accounts committee.

Mr. Klein: — They saved the best till last. I'm Jack Klein. I'm MLA for the often-referred-to seat of Regina North-South. I'm the shortest one in the legislature. That's why we have this particular problem with cameras — we're all sitting down this morning.

Mr. Chairman: — Thank you. I should extend an apology, particularly to our delegation from Quebec. We have had, as you all probably are aware, some difficulties with the translation issue. Mr. Shillington — who was chairman before I — and Mr. Lemieux worked on this, and apparently it has just yet not been able to be resolved. So we are regretfully unable to provide the translation services which we should be able to, but because of those difficulties, not being able to arrange those services, we are not able to do them for you.

Just a few reminders before we get into the business section. The coffee will be available, and is available, in the opposition members' lounge — that's that door back there — and then you go through the hallway and go through the next door immediately across from it, and there is coffee and fruit juice available for those who wish to have it. There will be coffee breaks, but I'm sure if you feel the need, you can escape and help yourself in the meantime.

Also Mr. James informs me — this is Craig James here for those of you who may not have met him — that tours of the Legislative Building are available. A number of people have made some comments about this building. See Mr. James and he will arrange the tours for you. If there are any other kinds of questions or problems that you confront, or information that you seek, see either Craig James or myself, and we'll try to help you.

As I indicated, this proceeding is being reported both on *Hansard* and on the television system we have here, and videos will be available, at a nominal cost, at your request. Also the *Hansard* verbatim will be published, and it will be available in its published form in about a month's time, so that will be available for you.

For the purposes of being able to arrange tonight's function as well as possible, Craig James would like to know those who are not going to Sherwood Forest, just a few miles out of town; but there is a supper at Sherwood Forest. If you are not going, Craig asks that you inform him. I asked him why he would not go the other way, and he said, probably fewer people not going than going, and it's easier, so if you would just let him know.

You notice the displays that are in the lobby as you came in, that they are provided courtesy of the Department of Small Business and Tourism, as Mr. Klein will be most pleased to hear, I know, and also by the archives of Saskatchewan. The business portion of the program will have jurisdictional reports. Those jurisdictional reports will be distributed by our page when the appropriate time arrives.

With that, I guess we can begin our business portion of the program. As you can see by your program, the first item on the agenda is a panel discussion between Mr. R.L., or Mr. Bob Andrew, who is the Minister of Economic Development and Trade and the member for the constituency of Kindersley, and Mr. Ned Shillington, who has introduced himself and is the member for the constituency of Regina Centre. Mr. Andrew is on his way down from his office, and we will probably wait for the few seconds that it takes him to get here.

The first person on the panel to speak will be Mr. Shillington, and for the purposes of that, Mr. James and I

will remove ourselves from our seats here and let them do it from here. Both speakers will have up to 15 minutes, and then we will have a 30 minute question period and discussion following that. Mr. Shillington, do you wish to come down?

Mr. Shillington: — Thank you very much. While we have a moment, I want to welcome you to Saskatchewan. I very nearly made it as chairman of this conference, but not quite; I am no longer chairman.

I do want to just mention for a moment the translation problem. The last year in Yukon Territories, those who were there will recall that we'd agreed we were going to provide translation services. We had an agreement from the federal government to provide those, until some time in January when it came unglued on us, and they then told us they couldn't do it. And I take responsibility for never having been able to arrange some alternate, or to persuade the Government of Canada to provide it.

It didn't help that there was a change in chairmanship about the time when the shoving got at its most fierce. So I apologize to the Assembly for that. It is something this conference has got to deal with. Saskatchewan has the same problem that Yukon did last year. I recall our hosts from Yukon explaining the difficulty in providing translation services in the Yukon. In Saskatchewan — I think these figures are right — only 6 per cent of the population of Saskatchewan is of French extraction, and less than half of those actually speak the language, and the number who speak nothing but French is almost non-existent.

Thus, the need for translation services, apart from a national conference of this sort, is very limited, and we really didn't have the facilities here. So it's probably not going to be a problem next year, but it is a problem this conference has to deal with. I apologize for it and take responsibility for not having provided the services.

Mr. Chairman: — Mr. Andrew has arrived. As I indicated, he's the Minister of Trade and Economic Development for Saskatchewan. Mr. Shillington will be our first speaker on the panel and I will ask him to carry on.

Mr. Shillington: — Thank you very much. Mr. Andrew and I share a number of things in common, some of them bad, some of them good. I suppose on the bad side we're both lawyers by profession before having got into politics. To our credit, I think, we both resigned as chairman of public accounts over a point of principle. So we share some things in common. I'm getting some heckling here from the Saskatchewan delegation.

My own impressions of public accounts were formed almost entirely after 1982 with the change in government. I was first elected in '75 and served from '75 to '82 as a member of the Assembly and a member of the government caucus. I never sat on public accounts and had very little to do with it. If I had been asked to provide a description before 1982 of what the public accounts did, it would have been a very woolly description. I had, I suppose, little more than a layman's knowledge of what it did.

Having spent four years on the public accounts committee, I've come to have a real respect for the importance of the work that a public accounts committee does.

If you ask the public for their critique or their criticism of government, I suppose you'd get a variety of answers. I am of the view that people don't necessarily want less government. They certainly want government which costs them the least. I suppose that's universally true as long as there's been government and taxes. I don't think people want less government so much as they want more effective government.

One farmer who I shared a platform with a couple of months ago put that point of view somewhat cynically; put that point of view by saying, it's a good thing we're not getting all the government we're paying for.

I think people want effective government, and I think that's what the public accounts committee is about. The public accounts committee is there to ensure, so far as possible, that expenditures are made as efficiently and economically as possible. That's done, I think, in two ways: one, by providing support for the Provincial Auditor or the auditor general, as he's called in different areas. It's also done, however, by members striking off on inquiries of their own, so I preface my remarks with a general comment about the importance of the public accounts committee in any province or government.

With respect to the Saskatchewan experience, the change in government in 1982 also brought with it some changes in the public accounts committee, most of which I think were for the good. Mr. Andrew is more than able to tell his own story, but there was a report which suggested a reform of the public accounts committee in Saskatchewan that was not acceded to by the government and, perhaps for some other reasons as well, Mr. Andrew left as chairman.

After the change in government in 1982, most of those reforms were brought in. The most important one was that the public accounts committee was made public. There was a *Hansard* provided, a verbatim provided. Cameras were not allowed in, but a verbatim was provided; it was open to the public, unless we were discussing something of a sensitive nature. I don't, of course, have a pre-1982 experience to compare it with. I never felt the fact that the proceedings were public affected it very much. I'm not sure it would have made much difference.

The area where I think we were most lacking — a couple of areas — one area was with respect to research facilities. In Saskatchewan, the Provincial Auditor provides the report, and that's about it. From there on we're entirely on our own. We have what research is available to the individual caucuses, but there's no research available to the committee as such. I felt that fact made us much less effective. You can say that, well, members can do their own research. Some can and some can't. Some just do not have the educational background to do that sort of thing. Having spent one's life in a university doing research isn't always the best qualifications for representing the hopes and fears and aspirations of ordinary Canadians, and such people do

not get elected in great abundance. Most of us come with very different backgrounds than that. So some can do research and some simply can't. Few of us, however, really have the time to do it. It's very time consuming to do properly.

I felt that that inhibited our work. I felt that our work would have been improved if we had had some research people. I know that a variety of other provinces and jurisdictions have research people, and I'd be interested in hearing from you what your experience with it has been.

With one exception, which I'll get to, there were few limitations on the range of inquiry. I think these rules are universally true, but in Saskatchewan witnesses are public servants; they're not politicians. They have no option but to answer the questions. Thus, if you ask a question, the witnesses have no option but to answer it, unlike a minister who can evade the question or just tell you he's not going to answer.

We have two committees in Saskatchewan which operate very differently. One is called the Crown corporations committee, and it performs somewhat the same function as the public accounts committee, but performs that function with respect to the Crown corporations. In Saskatchewan, Crown corporations, I think it's true, employ more people than the government and are of enormous economic importance. So that is an important committee.

In that committee the ministers are the witnesses. It is a very combative, very political committee by comparison to public accounts. We smug souls in public accounts used to refer to Crown corporations as being a circus because it was, we thought, very unruly, and often, we thought, somewhat unproductive by comparison with public accounts. Of course we have public servants who just simply have to answer the questions.

By and large we had few problems with respect to questions put. We did, however, have one serious problem which resulted in my resignation, actually, in June of this year. The background to it, simply put, is that in early 1985 a Saskatchewan trust company went bankrupt. The depositors with the trust company were insured up to $60,000; the Government of Saskatchewan agreed to compensate the balance of the depositors.

The opposition members, which was someone other than Mr. Tchorzewski at the time, wanted to ask questions about how much the Department of Finance knew in advance and, more importantly, whether or not there were mechanisms in place to prevent a similar episode from happening.

It seems to have become the custom in this country that, if a bank goes broke, the government picks up all the damages for the depositors. If that's going to be the system — and it may be a good one — then the departments of Finance had better be on top of the financial health of the banks because it is a horrendously expensive problem when it occurs.

I simply wished to pursue to what extent the Department of Finance was able to anticipate such a problem and head it off, as distinct from mopping up the mess that's left afterwards. The committee passed a motion that no questions be put on the subject, even though it had been raised by the Provincial Auditor. I think an agreement might have been worked out to allow us to raise questions with respect to the Provincial Auditor's report. But that wasn't, of course, what we wanted to do. What we wanted to do was go much further than that, as we had in other cases.

I felt the only response to such a thing was then to resign and do so publicly, and I did. The public accounts committee will not be very effective if government members are too defensive, as I felt they were in this case, and they will no doubt speak for themselves.

Mr. Klein: — Can we give our side of that story?

Mr. Shillington: — Yes, indeed you can. You'll get your opportunity, Jack.

It was a problem, although not a major one. It didn't arise in very many other instances, but I think it's very debilitating where it does.

One of the things we did this year, one of the reforms in 1982 was that ministers were taken off the committee. That was a huge improvement. Ministers, as can be expected, have an interest in the protection of the government's good name. And I have no doubt but what the role of ministers previous to 1982 was probably not a very positive one. I suspect they were more defensive than productive.

So I'll leave it at that and let Mr. Andrew proceed. I think the reforms in 1982 that we had in Saskatchewan were probably all positive. I think we'd make a great step forward if we had research staff, and a considerable step forward if public accounts were treated as estimates are in the House, and that is that all questions can be asked. So I'll leave it at that.

I want to make one other comment, and then I will let Mr. Andrew proceed. We have not adopted, in Saskatchewan, any system of comprehensive auditing. I define comprehensive auditing as being a process whereby the auditors general or the provincial auditors may inquire into the efficiency and effectiveness of expenditures, as distinct from what might be more narrowly called the attest functions — simply adequate figures to make sure that the money was authorized to be spent.

We have not adopted that. The committee has that mandate. The members can ask questions with respect to the efficiency or effectiveness of expenditures, but the Provincial Auditor cannot. It seems to me to be no logic at all in allowing members to ask those questions but not allowing the staff of the Provincial Auditor's office, and any other staff who are available, to assist the members. It seems to me to be irrational to allow the members to ask questions about the efficiency and effectiveness of expenditures but not allow the staff to assist them.

With that I will conclude and welcome Mr. Andrew's

comments.

Hon. Mr. Andrew: — I was the chairman of public accounts in Saskatchewan from 1978 to 1982. During that time, my observations of public accounts was to look at it in its traditional role as it was defined primarily in the British House at Westminster. And that traditional view tended, in my view, to be four things. One, it was to review the actual expenditures of government. And by the nature of that, that meant it reviews expenditures of the last fiscal period. And I think that is traditionally what public accounts has done and, I think, probably reflects one of the problems associated with it as members on it.

Number two, it is to review what the Provincial Auditor's report is, and very often, and I think in a much more changing world, the Provincial Auditor's report is becoming more and more — I think in this province, and I would be surprised if they didn't have it in other provinces — more and more complex and detailed as to the mechanism of government accounting. The auditor's report tends, in my view, to be written by a chartered accountant and, as a result, it's a chartered accountant's exercise to deal with it.

Thirdly, public accounts committee, from the British tradition, has always been a very non-partisan committee. My study of public accounts in 1981 was that, for the most part, it was not non-partisan in this country, with perhaps the exception of Ottawa and perhaps Ontario, which had much larger legislatures, much larger Houses. And they tended to approach it in a much more non-partisan way.

And number four, public accounts is basically a check and balance in our parliamentary system of government — check and balance in the sense that governments or the legislature approves a budget, and public accounts is basically to determine whether or not the government has lived up to the particular allocation of dollars as passed by the legislature.

So the questions therefore that one begs is: does the public accounts committee do its work? Is it a valid and appropriate committee?

I think, if you view it from the traditional way that we would look at public accounts committee as I defined it, then I would say it probably functions properly. I think public accounts in this country for the most part, certainly in this province, reviews the auditor's statement with the degree of ability that that's available to people to do. It determines whether or not dollars have been spent, and have they been spent as apportioned by the legislature. So I would say, by and large, public accounts do function in that very narrow traditional sense and serve as a check and balance to our system.

I think the bigger question is, for it to function in that traditional way, public accounts is a non-event. And it's a non-event when it's done by politicians, and there's few politicians in this country that want to spend a whole lot of time on non-events, it seems to me. And that's exactly what public accounts, for the most part, does. You get into things that the media would find totally boring, that the average person would find totally boring. And I think, as Mr. Shillington has indicated, prior to 1982 he found totally boring. And so as a result, for the public accounts to function, it functions in a very boring way in its traditional forum.

I think the results of that then, because politicians are involved, because politicians are not generally interested in non-events, that public accounts has traditionally — and I say this more in the smaller legislatures than in the larger legislatures — have tended to be one of two things: they've tended to be non-events, or they have tended to be a scandalmongering exercise.

Scandalmongering is a good game in Canadian politics, and I think it's a worthy question to perhaps pose the question as to why that is. I think if one was to study Canadian politics and the way Canadian governments work and compare them to other governments of the free world, you would find that the amount or degree of scandals or corruption in Canadian politics is far less than you would find in virtually any other country in the world. And I think Canadians are very vigilant to ensure that we do not move into that direction. In fact I would suggest that we're overly vigilant, to the point of preoccupation.

As well, you have a media in this country who tend to be more interested in scandals, who tend to be more interested in selling newspapers and less interested in dealing with substantive questions. In fact I think it's very unfortunate for the process of government in this country that we have a media that probably, for the most part, can't deal with a substantive issue, or certainly don't even attempt to deal with substantive issues.

The result of that what I call scandalmongering — and I don't think that's peculiar to one political party or another; I think it's, in fact, just the case — tends to make the public accounts committee less bipartisan or non-partisan and far more partisan in nature.

The next dimension that I would observe of the parliamentary system of government or modern government, if you like, is if you go to the traditional question that public accounts was to review the estimates to ensure that in fact the estimates as allocated by the legislature were in fact spent, is again going through what I think is substantive change, in the sense that as government becomes more complex, as issues come up perhaps that require response half-way through the year, you would find, I think, in this government — and I'd be very surprised if you didn't find the same thing in virtually every government across this country — the fairly rapid growth of virements or the fairly rapid growth of supplementary estimates where you, in preparing a budget, did not anticipate that you were going to have a drought in this particular case of this province, or perhaps some other problem that is associated that is difficult to anticipate and difficult to allocate money. So you see virements growing dramatically, and therefore the form of government, checking one against the other, I don't think works as well.

The final observation I would have as to whether or not public accounts functions is that I think in this country, and in fact maybe in many countries of parliamentary form of government, you are moving politically towards a

more presidential style of government and therefore question the effectiveness of the House of Commons or question the effectiveness of the legislature of this country.

The presidential form of government, I think, probably had its roots with Trudeau who, I think, moved the country. And I think, whether one agrees or disagrees with it, I think it's something that happens; I don't think it's something anybody could stop. It's a valid observation as to the way we're moving: much more leader-oriented, much more media-oriented, much more single individual-oriented way governments work. I think that's had a profound effect on the way parliament works, not only the way public accounts works.

All of this then, it seems to me, begs the question: can public accounts committee be changed to make it more functional; two, to give it a higher profile — and, I think, unless it has that higher profile, you're not going to see a lot of people spending a great deal of time; and to make it more current, because who wants to sit on a committee that is dealing with expenditures of a year and a half, two years ago? Now that's the reality, it seems to me, that public accounts must come to grips with.

So that begs the question: if you're going to tinker at the edges, I don't think you're going to address those questions. I think the questions are far more substantive in nature than that. It seems to me that, if you look at the way government functions — and I say in this province, and I would be surprised if it's not the same in others — government puts together a budget, takes that budget before the legislature and, in our case, before what is called the committee of finance, or what we call estimates, and that process does not deal with the budget or the spending of government dollars in what I believe a very effective way. It tends to be a political debating forum.

Estimates in this province since I've been here, both in opposition and in government, while you get to the edges of it once in a while, you really don't deal with the substantive questions of: should we have more money here or more money here or more money here? So it seems to me it's a very political debating forum: I'm smarter than you — no, you're not, I'm smarter than you; and back and forth and back and forth it goes, and you're bad and I'm good, and that's the reality of political debate in the legislative process.

So what you have is that type of forum sitting to prepare or to approve the estimates, and then you have a forum that is questioning officials and questioning the auditor's report. So you're dealing with two different types of forums. My view is that, as we move towards two things in government in this country — and I would disagree with Ned that people don't want less government, they want better government. I mean, that's a motherhood statement.

The reality of what governments face in this country over the next decade or two decades is an ability to rationalize trade-offs. You can't find one government in this country any more that has anywhere close to a balanced budget, nor even ability to get close to it. Governments are faced, and will be increasingly faced over the next decade, with trying to determine what the trade-offs are, what the priorities are, where do dollars go, and how the hell do you get there, because it's very difficult right now. Every government is faced with the same problem, that everybody wants more for themselves, but nobody is prepared to give this one up to get this one. Now that's the reality of what government is going to face.

My view is that, as we move to more of a presidential style of government where the leader allocates things far more than perhaps he has in the past, the cabinet has become all-powerful. The legislature, for the most part, puts in time and tries to score political points. And I don't think it is good for the political party system, and I don't think it's very good for the rationalizing of government expenditure either.

I believe that ultimately we are, in this country, going to have to adjust our parliamentary system, and therefore adjust our public accounts system, to be cognizant of these developing trends. And my view is that ultimately you're not going to get a proper reform of the committee system until you ultimately get back to the fundamental question of what parliament was — and that is the allocation of dollars. In other words, the power of the purse has, in my view, shifted over balance to cabinet and the executive form of government, and some of it must go back to the legislature. I think it would be healthy in this country to move in that direction.

That's not to say you move totally to the American style of government where you have Congress, in effect, proposing budgets that are then able to be vetoed by the executive branch. But I think that you must move in this country towards a system where the legislature ultimately gets in and deals with the trade-off questions. Perhaps that could be done through a modified budget system that perhaps says there's X group of dollars here that is going to be allocated to A, B and C, and the legislature starts debating those questions and allocating those questions and trading those questions off.

I think, if we do that, we could start to deal more substantively with the questions that government has to deal with. I think that this is probably fairly radical in the classic Canadian way of doing things, and it's probably going to take a bit of time before it ever gets there.

The second dimension I think we have to look at, to become more effective in public accounts, is to get some kind of a more simplified reporting system. Again, public accounts had its origin in the British House. The British House tends to have people who are very specialized, and certainly those that sit on committee are very specialized. They've had a long background in politics, they've had perhaps a long background in government, and they're very qualified to deal with some of the substantive questions.

Canadian politics, it seems to me, are moving to far fewer career politicians being involved and far more common, ordinary people standing for office and being elected to the legislature. I think that's healthy, and whether it's healthy or not, I think it's going to happen and continue to happen in this country.

Therefore, to be effective, I think, whether it's a government reporting system or the public accounts reporting system, you have to put it in meaningful terminology and language for the average person to understand it. Otherwise you're going to be dealing in the politician and the media trying to take a complex issue and put their own terms to it, and in so doing, I think, confuse and probably mislead.

With regard to research staff, I'm not convinced that research staff is really the way to go as it is to get to the heart of the question so that you can debate substantive questions. I think that politicians in this country for too long have tended to say, let's go out and hire some more people so they can tell us what's wrong, so that we can then have political arguments. I think that is misguided, and I think it's perhaps led to the rise in the increase of government that is perhaps now questioning as to how we do it.

So I think the debate that you people are having here is excellent. But I think the fundamental question you have to ask yourself is: how do you keep people interested in what I believe is a very important committee? — and that is to handle the fiscal situation of the country, or to at least have a check and balance in that fundamental system.

But you've got to make it real so people are interested in doing it. You've got to make it understandable so people can do it. And I ultimately think you have to have it so that we have a more appropriate system, so that parliament, after all, does what it was designed to do some 300, 400 years ago, and that is basically to wrestle a bit more power from the executive.

Mr. Chairman: — Thank you, Mr. Shillington and Mr. Andrew. I will now ask for discussion, questions, or comments, and if you would indicate by a show of hand if you want to take part, let me know. I see one already — Mr. Katzman from Saskatchewan.

Mr. Katzman: — I guess, as a member who served under both Mr. Shillington and Mr. Andrew, I've been on public accounts for 10 years in Saskatchewan. I was the single member from the Tories at one time, one of three from opposition, and now one of seven from government.

Mr. Shillington's comments about our committee changing should also add that, for the first time since 1982, all members, government and opposition, took a lead role in questioning areas of the government. For an example, the chairman may have had the Attorney General's area in finance; a member of the government might have had agriculture or some other area. The questioning from government members, other than the political side on the financial responsibility, was as good as from the opposition down to the dollars and cents — was it voted money; was it properly spent; was it originally there; was the money used as indicated?

We had something happen in Saskatchewan last year that has never happened before, in my opinion. Public accounts informed a government, the people who were handling money of the people of Saskatchewan — a pension plan, basically, for municipal employees — they were instructed to do something by public accounts to make their financial system capable of showing "honest" where the money came from. They refused. It became a challenge to the committee, and the committee then came to this House with the report and asked the Legislative Assembly to order it done. That was done. It was first time I've ever seen that in 10 years.

Mr. Shillington referred to the changes since '82. Prior to '82, there used to be a little red book, as I called it, that the NDP walked into the meeting with every meeting with the intent that those questions were to be blocked on these subjects, and that's the way it was done. And since '82, it has not happened, maybe because the members on were not following the executive branches hardly, or maybe because of Mr. Andrew who was there prior and didn't appreciate that; I'm not sure.

But I was going to say two things that are wrong with public accounts, in my opinion, is lawyers should be barred from being chairman, and these gentlemen are both lawyers. And the reason for that is, they then use the Chair as a position to become press orientated, or inquirers, or use the Chair what I think is improperly sometimes. Therefore, you have a decision to make: do use the Deputy Speaker of the House, who then is not an inquirer, just to make sure the rules are followed; or do say to the chairman, you are not an inquirer any more, as we have attempted to do in Saskatchewan by letting everybody else take certain areas, but the chairman still has certain areas?

If you want to call the committee boring, Mr. Andrew, it is only boring if you choose to make political points. If you choose not to be there for political points but to do the job of reviewing the Queen's estimates and was the money spent properly, it is not boring.

I believe, on the point of lawyers once again, they are trained to get information out where the majority of the members are not, and I find some of the most innocent questions are the ones that get the most interesting replies that you never expected, and sometimes you learn more from them.

The other comment I make is that — in fact I've got another lawyer in the committee behind arguing against me already — but the other thing is I don't agree with Mr. Andrew and Mr. Shillington because we also got into pensions in Saskatchewan like you have never seen anybody go into pensions. I guess it was a personal interest, and therefore, as a member, I had several years to build up the information. I think there's a key line.

One or two members should be long-serving members on a committee like this because they will soon build up an interest, and then the committee will function into something, and the other members will follow in their area once they see one member do it. We went to prove the amount of billions of dollars short in our pension fund, and when we started to accomplish going to do that, we discovered a whole lot of other things in pension plans nobody knew of. The department knew, but nobody else knew.

I would suggest that if you're going to change the public

accounts committee, the most important thing to do is to remind all members that they have a responsibility and they are the chief inquirer in a section or two sections. I totally disagree with Mr. Shillington on the need of researchers. I think research within your caucus or within your Provincial Library, as Ontario has, is more functional than research assigned to the chairman of public accounts. Because if he is assigned to the chairman of public accounts, we are now going into media witch-hunt, and that is basically where they will deal.

We had a former chairman who walked in to the Provincial Auditor and said, where is the muck; where is the scandals? And the Provincial Auditor said to him, I don't tell you those things; I just tell you where they didn't spend money or they did spend money improperly. And he didn't stay chairman more than a couple weeks because it was no fun; there were no headlines. He never showed up on the committee again. And that's not what the committee is for.

That's my personal committee. As I say, I've been on it for 10 years. I found it very rewarding, but you had to be a little bit of a bulldog, and you had to just sit there and hang on and shake. And as they tried not to give you the answer . . . and I tell you, in opposition, when I was there, they tried not to give me the answer many a day. And I can remember when I sat there, day after day, asking the same question until they finally broke down and gave it to you. It was out of frustration; they got rid of you. But you've got to be prepared to do that, and you'll get somewhere.

And I think Mr. Tchorzewski, who was minister of Finance, will remember me in opposition. I drove them nuts. But basically you hang on if you think there's something there, and you'll shake it out. You don't need professionals to do it for you.

Mr. Chairman: — Thank you, Mr. Katzman. I appreciate that we teachers have been allowed to continue as chairmen of the committee. I'm wondering whether the panel members have any response or comments.

Mr. Shillington: — Ralph is starting to sound like a revolutionary come to revolution. You're going to deal with the lawyers.

On a serious note, I think it was unfortunate that the committee ended on the note that it did because it did not characterize the work of the Saskatchewan committee. But by and large it was non-partisan.

I think many members, and I believe I speak for most members of the committee, found it to be one of the more rewarding aspects of their work as a member. I do disagree with Mr. Andrew that the work is boring. In fact, it was kind of interesting because the chief politics was set aside, I guess. I'm trying to think of a better way of putting it, but I can't.

As compared with the Crown corporations committee where the ministers and the members of the committee met, we felt that ours was more productive and a lot more interesting. To that extent, I do agree with Mr. Katzman.

Hon. Mr. Andrew: — I make only one observation, and that is that lawyers tend to get railed on in politics, I think, probably because of their skill rather than anything else.

Mr. Shillington: — Hear, hear!

Hon. Mr. Andrew: — I spent four years on public accounts, and I simply state the obvious, and that is that it's a non-event politically. And I think it's worthwhile to sit on. I think the best you probably gain from sitting on public accounts is it's an excellent way to learn how government functions. And from that point of view, I think it serves a purpose for somebody that wants to take it and move further with it. But I think you're deluding yourself if you think you can get your jollies off year after year in public accounts, because I don't think you can.

Mr. Chairman: — Thank you, Mr. Andrew.

Mr. Martin: — For the sake of clarification, could you tell us if you do all of the departments of government, or do you do a random selection after studying the Auditor General's report; and secondly, whether you're limited to the previous year or can do any year at all?

Mr. Shillington: — In Saskatchewan, with respect to which departments we do, we begin by reviewing the auditor's report, and he does a selection of departments. He doesn't audit every department every year. And of course if there's nothing to report on, the department doesn't appear on the report. So we take his report, follow up on the issues he raises, and then if there's time left over, and there normally isn't, members may raise issues with other departments which aren't referred to in the Provincial Auditor's report. But we consider our first responsibility the Provincial Auditor's report.

We do have a rule with respect to the year under review. It is highly artificial. I think its only function is to limit the effectiveness of the members. And this is not a partisan comment; it was in existence long before the change in government here and long before the election of the previous government. However, I cannot see any purpose to the rule except that it limits the effectiveness of members on the committee. I think to be limited to the year under review is artificial. It may, I suppose, make it easier for the witnesses to deal with current topics, except that they're not; they're dealing with topics which are up to a year old. So we do have such a rule that if it serves some purpose, it escapes me.

Hon. Mr. Andrew: — I think it serves a valid purpose. And that is, you go back to the distinction between the review of estimates and the review of actual expenditures. And you have to determine for yourself, should public accounts be turned into estimates? And that's really what you would be advocating if you said it's not to deal with anything but the . . . or the proposed year, not the year under review.

And I have no problem with that except that you're then dealing with your estimates in two ways: one, by questioning officials prior to usually the passage of the budget; or are you going to question the politician. And I don't think you can have it both ways. I think you have to have it one way or the other. And that's, I think, where

probably the basis of the rule, and if you're going to challenge that, I think you would challenge it in a far broader sense than just simply in public accounts.

Mr. Katzman: — Well let me just add to that. We have called in, other than the 27 Crown corporations, anybody that files an annual report to this House. We have the ability to call them. We have called in people who basically get a grant from us, and called them before public accounts to challenge them on the spending of that grant. Example: universities, colleges, that are run — North Battleford college was called two or three times — and those kind of . . . Everybody that gets a dollar is able to be questioned at Crowns or at public accounts, and we have done it. And some of them have never been previously called in history, and we have called them.

Mr. Pashak: — Well I'm new to the legislature of Alberta. I've never heard of the public accounts committees before until I was asked to chair this committee. So if this question seems naive, I think it will be understandable.

Gathering from what you're saying on the panel, it's important that these committees appear to be non-partisan or act in a non-partisan way to be effective. But it seems to me that there's a contradiction. If you're going back, digging into the expenditures of a department, ultimately the government has to assume responsibility, I suppose, for expenditures during those periods. So it is, in effect, a partisan issue, is it not?

Mr. Shillington: — Well let me respond in part by endorsing something that Mr. Andrew said with respect to the presidential system. The essence, as I understand it — I'm not a political scientist by any stretch of the imagination — but the essence, as I understand it, of the congressional system is a separation of powers between the various branches of government. Thus the president is not answerable to the Congress. To that extent, I don't think we are developing a presidential system because I think the question period continues, and it's the media event. The television and the question period has done a great deal to strengthen the role of the legislature.

With respect to the question you asked, though, I think that one of the things I think Canadian legislatures could usefully import from the American system, at least, is a relatively non-partisan review of budgets and expenditures. It isn't, but it is more so than ours. Congress does of course have the power of the budget thing to a far greater extent than parliament. And my observation of the American system has been it's done in a far more non-partisan fashion in their committees.

I don't think a public accounts committee will operate effectively unless it is non-partisan. When I first came on the committee, I was told that, and I was very sceptical of that statement. I thought, that's just nonsense. What's non-political in politics? Everything is.

However, having spent four years on the committee, I think, had it been political, it would have been largely a waste of time. And to the extent that we were effective and found it a rewarding experience, it was because it was relatively non-partisan.

This is a little different than estimates. With respect to estimates, in a formal sense it's the opportunity of members to question the government with respect to future expenditures before the legislature authorizes those expenditures in the appropriation Bill.

Public accounts committee looks backward, and with public accounts committee, at least in Saskatchewan, you cannot ask the witnesses questions of policy. You cannot say to a witness, I do not believe you people should have made a grant to the university, or something of that sort. Questions of policy cannot be discussed — simply whether or not, taking the expenditures that the legislature authorized, whether or not those expenditures were carried effectively and efficiently. You're not discussing policy — that's estimates. You're discussing the efficiency of the expenditures, and I think it can be done in a non-partisan fashion. I think we're simply too . .

A Member: — Partisan.

Mr. Shillington: — You're too partisan. Well our Canadian system has got to be very, very combative and getting more so — I think getting more so.

Mr. Pashak: — I think I understand all of that. I think my question, though, really was: when you do begin to probe department expenditures, even if you're not asking about policy questions, the government of that day still ultimately must take responsibility for those expenditures, and so, as you probe into that area, you can't help but touch political raw nerves. I don't see how you can avoid that. I don't see how, in the final analysis, you can be completely non-partisan. I can see striving for that and making it a worthwhile objective, but I just really can't see how you could ever completely achieve that end.

Hon. Mr. Andrew: — The study that I did back prior to '82 on that very question . . . And if you go back and look at the British system, you'll find in the British system two things: the party whips are not near as strong on a lot of questions, and it is not seen as a lack of confidence in government for many members to criticize their own government. It's very accepted practice in Britain.

I don't see that as a very accepted practice in this country. As soon as you do it, as soon as a government member criticizes his own government, then headlines come in the newspaper. It happens on a daily basis in Westminster without any impact at all.

So I don't think the committee in Canada can function in a non-partisan way, quite frankly; I don't buy it. It's not the nature of politics to do it that way here. Now whether that's fortunate or unfortunate, I think it's just a statement of fact.

Mr. Shillington: — I guess it's a question of how serious you think it is. The longer I'm in politics, the less I think little things do electorally defeat governments. If there's a large accumulation of boondoggles, I guess that may form an impression. But the longer I'm in politics, the less I think the little things — whether or not the department sent the money to the wrong person or something — the

longer I'm in politics, the less I think those affect elections. I think it's the major issues, not the little things, that elect or defeat governments.

Mr. Chairman: — As I listen to this discussion, I'm reminded of a discussion I had with some people yesterday, where in some jurisdictions apparently ministers are witnesses before a public accounts committee, and then I wonder whether you cannot be non-partisan in those situations. But somebody will comment on that from their experience.

Mr. McCallum: — Thank you. I want to just make a couple of comments regarding the comments that were made by both the panellists. I would agree that public accounts committees are partisan in 12 of the 13 jurisdictions in Canada. We aren't because we don't have party politics. But as long as you're going to continue, you other 12 — and I include the federal government — of stocking public accounts committees with government people, you have to be partisan. I would dare say that the make-up of public accounts systems in the other 12 jurisdictions, including the federal government, is made up prorated on the number of members on the government side. It has to be. That's the way you are, and there's no way you're going to be non-partisan.

I would agree with Mr. Andrew's comment that we seem to be moving towards a system of government where the government leader, premier, whatever you want to call him, and his cabinet become all-powerful. But I also agree that you have to come back in to make the legislature.

And I think that's one of the unique things that we have. Even though we in the Territories are thinking of going into partisan politics, I think the idea of being involved with the public accounts committee, the way we are now, is a good reason not to get into it, because we do really scrutinize. I think that our public accounts committee, over the last while, has done its job because there isn't anybody in the so-called government.

We operate uniquely. Out of a 24-person Assembly, we have a government of eight people. But we have an opposition, excluding the Speaker, of 15 other members. So when we're going into it, maybe individual members of our committee may be looking for headline hunting, if you like but by the same token, we do go at the business of trying to find out just what the government is doing with the money we have voted as an Assembly.

So I guess what I'm trying to say is that there are certain features of what we have now that are unique in the rest of Canada, but it doesn't stop the idea that maybe we should be getting into party politics. But that's one good reason why maybe we shouldn't, in this particular instance.

It would seem to me that if you are going to get less partisan within this particular committee, this watch-dog, this check and balance committee, that you jurisdictions have got to better look at the make-up of your public accounts committee. Because as long as you have a committee of 10 people, and six or more are of the government side, then the other people in the public accounts committee, regardless of how well you get along with each other in that particular confines of a committee meeting, it's going to be partisan, and the government people are going to stop, to some degree, at least in my opinion, the other opposition members from getting to the meat of the questions. And if that's reform . .

I guess that's one of the things I wanted to lead into to Mr. Shillington. I'm just wondering — he talks about some of the things that have been done within Saskatchewan — but I was wondering: what other reforms do you see or would you suggest given your experience, in addition to those that Mr. Andrew has indicated, readjusting the systems, both government as well as the committee, getting better terminology — and I agree with that — to get away from the CA syndrome, if you like, of making reports and getting more power wrestling that power from the cabinet, if you like, and getting it back into the Assembly? But, Mr. Shillington, I wonder if you have any other reforms that you see.

Mr. Shillington: — Two in number. Let me, first of all, say that as long as you can make your system work and not having political parties, I'd keep it. I don't think it will work for ever because I think it's a natural tendency of human beings to coalesce in groups, and I don't think it will work for ever. But as long as you can, I wouldn't trade it off; I think it's a great system.

The reforms which I would like to see are two: one, I'd like to see comprehensive auditing done by the Provincial Auditor's staff; secondly, I would like to see some research staff available to the committee, a system which I understand to be Ottawa's — and that is that that's done by the parliamentary library — as probably ideal.

I wouldn't want to see some staff for the chairman. That would obviously be inappropriate because all members should be equally participating, and the research staff should be available to all members equally. Those are the two reforms I would like to see. And if they were, I think our work would be improved somewhat.

Mr. McCallum: — Can I just add one further comment, Mr. Chairman? We do have research for the committee, not for individual, and we do because we use the Auditor General, the federal Auditor General. One of the things that we have embarked upon is doing comprehensive audits.

So I agree with those two things. I think it does do something. I agree that you need research personnel for the committee itself.

Mr. Chairman: — Thank you. I neglected something earlier, if I may interject. I have two people on my list here, but when you speak, would you mind mentioning your name for the purposes of the people who are doing the recording here. I would just remind you of that. I think I neglected to point that out to you.

Mr. Blake: — Thank you, Mr. Chairman. I just want to make one comment on the non-partisan participation in the committee. I think that would be extremely difficult to achieve, given our system in Canada, desirable as it may

be. But a comment made when you called the bodies before your committee, such as universities or those that receive government grants, other than being pretty apprehensive, I imagine, at being called before the public accounts committee, were there any positive results? Were you able to get some good solid answers and explanations on their expenditures in the committee?

Mr. Shillington: — I thought it was very useful. The University of Saskatchewan is the one which had never been there. And you're right, they were very apprehensive about it because it infringed academic freedom and all that jazz. And I'm not making light of that; that's an important principle.

I thought it was very useful. I thought I had a better understanding of the university's problems, with respect to overcrowding and so on, than I had before. I learned it was not as simple as I thought. It was not simply a matter of the government not dishing out money; it was more complex than that. It was a reaction to unemployment and so on. I thought I had a much sounder understanding of what is a major problem for governments, and that's universities. So yes, I found it useful.

Mr. Blake: — Well I think that would be useful in our case. It goes back to funding of our main university, the University of Manitoba. They're in danger of losing the accreditation of the Faculty of Engineering. They've lost the accreditation on one other faculty. I think that would be very useful for members of the legislature to have maybe a better understanding of how they allocate the funding that is provided to them. It would be an excellent exercise if we could. But our public accounts, that I may mention later, doesn't function quite that way. I don't know whether we have the authority to do that or not.

Hon. Mr. Andrew: — I think it's a legitimate point, and I think it takes you off into another direction. I was unaware that you even had to call the universities before public accounts committee, so I doubt that it was really in great substantive sense.

I think that if you look at the allocation of dollars to what you call third parties in government, you're going to, in the case of Saskatchewan, allocate at least two-thirds, if not higher. Perhaps three-quarters of your budget goes to third parties, maybe even more than that, and quite frankly, they're not accountable.

And until and unless we start to make them accountable — and universities is one of the best examples — you can pour money into that sponge for ever. And quite frankly, maybe public accounts is a proper forum by which government can question some of those issues. Hospital expenditure is much the same way. You're dealing with the big dollars there that very often don't get dealt with in the forum of estimates. Good point.

Ms. Nicholson: — I'd like to comment briefly on the importance of a public accounts committee being able to operate in a non-partisan fashion. I think it can, even when the majority of the members belong to a government party.

At the present time in Ottawa, we've had the tradition since '57 of having an opposition member chairing the public accounts committee. In addition to myself, there's one other Liberal on the committee, one NDP member, and the rest are Conservatives, or government supporters. And yet we continue to operate in a non-partisan fashion and to struggle to achieve consensus.

And I think that part of the secret is to maintain a very clear distinction between policy and accountability after the event. The battles on the merits of a particular policy have already been fought in the House when the legislation was passed, or when the estimates were passed, and the job of the public accounts committee then is to maintain the focus.

Whether I agree with this decision or not, nevertheless this decision was taken by parliament. Therefore, did the officials implement the program as parliament decided? Was money expended with due regard to economy and efficiency? And if you can take that focus, then you can work together on a non-partisan basis.

And I would suggest that there are values in this that go beyond the dollars and cents. I think the people who elected us, of course they know we have a party system and we have strong views and commitments to our parties, but they also elect us as Canadians to work for the public good, and it doesn't hurt us at all to be seen doing that. Even if it may be a little dull and if it doesn't get the headlines, it's the citizens' notice.

And secondly, from the point of view of even the broader contribution to democracy, I think one of the most important functions of parliament has always been the control of expenditures, and I would certainly agree with Mr. Andrew that that has been eroding. But it's important to get back to it.

And finally, I think the other kind of issue in parliament, that in my 12 years where I've seen members able to work together as Canadians and putting aside partisan differences, is a subject matter reference to a committee as distinct from estimates or legislation. As for instance when you had the finance committee recently studying a green paper on financial institutions, or when you get a special committee dealing with the disabled, then I think the partisan differences become secondary to the need to produce good, sound programs that everyone can live with.

So I think for the newly elected member who thinks that partisanship is inevitable in public accounts committee, I would say, look again.

Hon. Mr. Andrew: — A couple of observations on that. One is that, because Ottawa has a very large House — 284, whatever it is — compared to many of the provinces with 65, 70, members, you end up with the opposition members generally involved in the question period. Let's take our House, for example. In effect, your front bench is your opposition. And as a result, they're into the day-to-day to and fro of question period, and then they go an hour later into public accounts. It's very difficult. Alberta will experience exactly the same thing.

Where in a larger House, a member looks to find his

niche. And in Great Britain, where you have 600 members, people look to find their niche, and therefore I think you can work in a non-partisan way.

And I think Ottawa also changed. In the Maxwell Henderson era, where you had the Bonaventures almost on a daily or weekly or monthly basis, you ended up with very much scandalmongering politics. I think that changed a fair degree in the Macdonell era. And then Dye has tended to follow in the footsteps of Macdonell as to how the Auditor General's office functions, which is perhaps different than Henderson's time.

And I think, from that point of view, Ottawa can in fact work that way. Perhaps Quebec can, and certainly Ontario. But I would guess that any other jurisdiction would have a lot of trouble doing that.

Mr. Shillington: — No. I thought you summed it up, as you often do, Ms. Nicholson, you've summed it up rather well. If you avoid policy questions, it's much easier to avoid partisanship.

Mr. Baker: — Thank you. Just a little bit of background first before I make the couple of comments I wanted to make.

I've never even attended a public accounts committee meeting. I'm newly elected, and I find myself chairman of the public accounts committee. Perhaps I have a kind of a view that only a few people get an opportunity to have. I'm looking at it totally from the outside.

In Newfoundland we do have research staff. The make-up of the committee is four government members, three opposition members. An opposition member is chairman; government member is vice-chairman. And some of the workings of the committee are done simply by the chairman and vice-chairman agreeing on certain things on behalf of the two groups. So we can expedite matters that way.

I'd like to comment on the partisan or non-partisan nature. I'm not overly worried about that, and there seems to be a concern that the committee be as non-partisan as possible. It doesn't bother me a great deal simply because as long as you're dealing with the question of whether a civil servant expended money properly, according to the directions of the legislature, then I would suggest it's very easy to become non-partisan in the committee.

I've noticed that in Newfoundland, for instance, that civil servants don't like to be called before the committee. In talking to them I notice that they hate that, that government departments hate to be singled out by the Auditor General for something that he considers to be done incorrectly. So somehow the system must be working.

When you get into a situation where a government expenditure, after an allocation has been made by the legislature, has then been — how shall I put it — fiddled around with by a cabinet minister — and you know what I'm talking about — at that point when the public accounts committee gets into that, the partisan nature doesn't really bother me at all. I think it's got to be partisan at that point.

For instance, if this year we were to uncover something like that, I can't expect a government member to then all of a sudden become non-partisan. That's our system and I'm willing to accept it, and I'm willing to accept the fact that he will try to cover up and do his best to defuse the situation. And I would expect that he would be happy with my role of trying to prevent him from defusing it and digging further, and I would hope that he wouldn't then go off and say that I'm scandalmongering, because if the situation does exist, then it needs to be brought to light.

But the non-partisan aspect of it, it seems to me, is fine as long as you're dealing with the routine. But when you come across something extraordinary, so what? You know, I don't worry about it.

Mr. Chairman: — Thank you, and our time has run out. I'm sure there are other questions. I was concerned at the beginning that we would not be able to use up all of the time, but it seems that we might have been able to use more.

Our thanks, and I extend it on behalf of everyone here, to Mr. Shillington and Mr. Andrew for getting members motivated and interested so that there was the kind of discussion that we have had. I thought that they did a particularly good job, as did people who commented and asked questions. Thank you.

We are going to break for coffee till 10:45, at which time Craig James will bring you back into this Chamber. I remind you that coffee is through that door, across the hallway, and into the next door into the opposition members' lounge which has been fixed up, as I commented earlier this morning, far better than it usually is when the opposition members are in there daily.

Recessed

Mr. Chairman: — All members have returned, so I will call the assembled group to order.

Just a comment on the remainder of this morning. I will, and I have indicated this to Ms. Nicholson, call on Canada to make the presentation after lunch rather than this morning because, as the agenda has outlined it here, it would split up the presentation. And I think we've got substantial time in the afternoon because Ontario is unable to be here because of something that has arisen in their legislature in recent days. So their public accounts committee was not able to come, so we will be without the presentation from the province of Ontario.

I remind you again that when you begin to speak, after I have got your attention and after your light has come on, please mention your name and your province for the purposes of better and more accurately recording of who was saying what.

Presently we have the province of Alberta that is going to lead the discussion, Mr. Pashak. Did I pronounce your name right? Sorry. I have that problem with my name, only because of mine being the way it is spelled. I will just simply ask Alberta to proceed with the brief remarks.

Mr. Pashak: — I just discovered today really that I'm on the agenda because I was only named to this committee last week. So there's really not very much that I can tell you other than, as I understand it, our committee has been reduced somewhat in size for the next round. Formerly there were some 36 people, I believe, on the committee. Apparently it wasn't a particularly efficient group, as a result, and never really did accomplish much more than just go over the auditor's report.

It's been scaled down somewhat, to 21 members, but I understand again that that might be an unworkably large number of people. There are five New Democrats on the committee, and one Liberal, and the rest, the other 15 members, are all members of the governing party, the Conservative government.

I'm really looking forward to the proceedings of this conference and to meeting a lot of people on an individual basis to get a little clearer idea of what exactly it is that a chairman of a public accounts committee does, or, perhaps more importantly, ought to try and do.

I think that during the last term the chairman of the public accounts committee was the leader of the opposition, Ray Martin. But there are only two members in the opposition, so he had very little time to spend on public accounts. He had to cover all of the other duties that an opposition leader has to do. So at least he's freed up for this go round. He's made some suggestions as to what we might do to try to improve the functioning of the committee. And beyond that, that's about as much as I'm in a position to talk about at this moment.

Mr. Chairman: — Thank you, Mr. Pashak. We, I think, appreciate the situation you find yourself in, although it obviously is going to be a challenge. Although I took a short recess for a longer period of time, this is also my first time on the public accounts committee, and I am immediately a chairman of it in Saskatchewan. So I'm going through some of the similar kind of struggles as you no doubt will be when it begins, but it is a committee of great importance.

Are there any questions or comments or suggestions, even a carry-over from what we discussed this morning?

Mr. Katzman: — I'm known never to be quiet. My question to the Alberta boys is: 21 people; how are you ever going to function? And second of all, Ray Martin, I believe, was in this group in 1984 in Toronto, so he has some knowledge of what the intent of the committee was in those days. I assume he's not on it any more though.

Mr. Pashak: — No, Ray is not on the committee any longer. And I haven't even really had a chance to sit down and talk to him at any length about his observations on the function of the committee because we've been just so busy. Because immediately after the election, we went right into a session of the legislature, and he was the only one that really had any experience in the legislature. So there are 15 of us just trying to find out just how legislatures function, and then pick up our roles as critics, and that kind of thing.

As to the number of 21, I don't know. Maybe some guidance from you, either when we're having coffee or something like that, might be useful because I think 21 would be an unmanageably large committee.

Mr. Katzman: — In the provincial House in Saskatchewan, we've been anywhere from seven to about 14. And to be truthful, I find anywhere around eight or nine is about efficient amount for a legislature our size in comparison. Ottawa may have a totally different problem with size numbers and there's more areas to cover. So we're comparably close in size, and I would think that we're about one-sixth of the House.

Mr. Chairman: — Mr. Pashak said some comments on size might be useful.

Mr. Martin: — Who appears before your committee? Is it deputy ministers and all answers are to them?

Mr. Pashak: — Well a committee starts out with having the Auditor General there, and you meet with him for a number of occasions. And then as I understand it, in the past it's not been the deputy minister, it's actually been the cabinet minister that's appeared before the committee with the Auditor General present. And so some observations on who should appear before the committee I would also find helpful, as well as the size of the committee. What are some views as to who you should call before your committee if you're trying to get a good hard look at expenditures?

Mr. Chairman: — Thank you. Maybe comments from experience on both of those issues.

Mr. Lea: — I've been on public accounts committee for 14 years. I was on there as a cabinet minister, as a back-bencher, as a member of the opposition, and recently have become the chairman. One of the suggestions that I'd like to make for you from Alberta is first of all, find out what your power is, what your authority is. I think that that's one of the ways that you can be an effective chairman, is to find out exactly what it is as chairman you have the authority over. And you can find that out best, I believe, by going to see the clerks, and that would be a big help to you.

A Member: — How big is B.C?

Mr. Chairman: — Thank you. The question is, how big is the British Columbia public accounts committee?

Mr. Lea: — Okay, it varies. This year it's 14. There are five opposition members; the rest are government; and out of that, two are back-benchers and the rest are cabinet ministers.

Mr. Blake: — We have 11 on our committee, and it functions somewhat differently than other committees. It's called at the convenience of the Finance minister, who is the chief minister that appears. There's no particular make-up, other than the opposition, of course, make up the minority position; the government have the majority on the committee. But there's no guide-lines as to how many should be cabinet ministers, how many should be ordinary members.

But we go over the Auditor General's report which takes maybe one session, and then we get into the spending estimate booklets, various questions that the members might have which maybe take one more session, and then we're finished. And you don't hear any more from public accounts until the next auditor's report comes down.

Mr. Chairman: — Thank you.

Mr. Katzman: — One comment. We have no cabinet ministers in our committee in Saskatchewan; and in Crowns, which is the other committee, normally no cabinet ministers again. It's covered by back-bench on both sides. When cabinet ministers are there, it becomes more political.

Mr. Belisle: — I'm addressing my question to my colleague of Alberta. I'm a little bit astonished to see that there is no code or procedure by which you have your mandate specifically defined and also the powers that you have in your commission. And that's a basic difference with our system in Quebec. We have a code of procedure, and everything is inscribed in the code to the powers that we have, to numbers of members of the commission, the extent of our mandate, and . . . (tape malfunction) . . . built an obstacle to function properly if you don't have those powers and those rules set forth in a definite law or code enacted by the legislature of your province. And maybe one way to go around your problem would be to propose to your legislature a set of new rules.

We have in Quebec 16 members who are officially members of the commission, but, in fact, on a daily basis we have 7 or 8 or 9 members present. And we find also that at 7, 8, or 9 members present, it's heavy at certain times, and we are looking forward to function in sub-committees which are more manageable to a certain extent in very technical and complex matters. So maybe if we could be of certain help to our Alberta colleagues, we should send you a copy of the rules set forth in our code of procedure.

Mr. Chairman: — Thank you. That's an excellent suggestion. Can I just interrupt for one second? Normally, and I'm sure in all legislatures, when guests are in the gallery you extend a welcome. So I would like to, on behalf of all of my colleagues here, welcome the guests who are in the Speaker's gallery. The guides probably told you that this is an annual conference of Canadian Council of Public Accounts Committees from across Canada, as you will note by the plaques on the desks. Welcome. Thank you.

Members: Hear, hear!

Mr. Lea: — I think it might be of some help if Quebec could send that to all of us, through the central body.

Mr. Belisle: — Mr. President, if that's a formal request, we will undertake to send you the rules that we have, and maybe after you people studying those rules, if you amend those and correct those and improve those, we would appreciate receiving your enlightenment on those rules.

But it works properly right now. It needs correction because we are always in a phase of trying to improve things, but I think that's a way to go around the technical problems that you have in your various jurisdictions. The mandate has to be clear. We have a mandate with regards to budgetary policy. We have set dates to look at budgetary policy. We have set dates to look at the expenditures and set rules to assign witnesses.

I was a little bit amazed this morning when I heard my colleague from Saskatchewan saying that they assigned various bodies like universities. We do that very often, and it works very well and it's a normal procedure. And people are not surprised; they're not shy to come before the commission and to answer the questions of all members of the commission on both sides. It works very well.

Mr. Chairman: — Thank you. I sensed from some of the nodding of heads and comments that sending that code of procedure would be appreciated, and if Quebec would agree to do that, I think we would welcome that. It would be not only of assistance to places like Alberta, but I would be interested in it as well. I guess we're beginning to show the value of this kind of conference. We can learn from each other, and that's happening here today.

Mr. Pashak: — Yes. In terms of the remarks from the Quebec delegate, his committee must have a reasonable budget then to bring people to appear before it from universities and that kind of thing. Could we get some sharing of views about the budgets that different public accounts committees have?

Mr. Chairman: — Thank you. That's a good question. If I may begin, in Saskatchewan we don't have a budget, other than just the normal thing that happens with legislators.

Mr. Belisle: — We don't have any budget to call in or assign witnesses. It's their duty, because they're civil servants, to come before the commission and answer the questions. It's part of their fundamental obligation. I don't see why we should have budgets to assign witnesses to give us the responses and the answers to the questions that we have. That's my opinion. Maybe I'm wrong, but it seems elementary.

Mr. Chairman: — Thank you. Can we hear from some others.

Mr. McCallum: — We operate the same way. We have terms of reference for our committee. We don't have an assigned budget other than budgets for various committees within the legislature itself. But we call only bureaucrats into our public accounts committee meetings, so therefore we see no need to provide funding for them. We have no ministers, as well, on our committee.

We have a 10-person committee. With our new rules we are leaning toward going to a more workable number, seven. But then again, with the new rules that we are bringing in, the government will be required to respond to our public accounts committee report. But we have no budget as such because we're only talking about taking in

public servants, and it's required under our rules that they come in and they appear during the time when we conduct our public accounts, which is normally about a week.

Mr. Chairman: — Thank you.

Mr. Baker: — Yes. As I mentioned earlier, in Newfoundland we have seven members on the committee, four government members, three opposition members — it's pretty evenly balanced — and we have the chairman, vice-chairman, from opposite sides.

A lot of our work, as I say, the preliminary stuff is done with just the chairman, vice-chairman, reaching agreements and so on. We have virtually unlimited powers. We don't call cabinet ministers because we feel we can deal with cabinet ministers in the House, in the political forum. We simply deal with bureaucrats or Crown corporations or anything else that we can extend our jurisdiction to. We have research assistants, as I pointed out.

We meet usually when the House is not in session. In these sessions the press attends the sessions. We don't allow live cameras, but at least they can attend the sessions. If we feel the need for *in camera* sessions, we'll hold them, but generally most of them are open to the press.

As I say, we're not bound by too many rules and regulations. For instance, we can examine witnesses without a quorum. We have a quorum, but we can still go ahead and call witnesses and examine them without a quorum. That allows us, perhaps, to travel if we want to where it's cumbersome in taking everybody along. So we don't need a quorum to sit; we need a quorum to vote, obviously, on anything and take decisions. We have a budget that comes under the Speaker, and it's approximately $100,000 a year.

Mr. Chairman: — Thank you.

Mr. Lea: — Yes, I would think that maybe our committee is a bit different in that our committee is public accounts and economic affairs, so we also have the option of calling in people from the private sector. For instance, if we're dealing with Forestry estimates and there's more information that we require, then we can call in people from the private sector. And so there has to be some budget in the committee to bring people from the private sector because you can't expect them to pick up that expense. Our budget comes under the vote 1 of the Speaker, and it's not defined in dollar terms. It's defined by votes out of public accounts, and whatever we vote is going to be spent.

Mr. Chairman: — Thank you.

Mr. Katzman: — Just two comments. The way we get to universities or the pension plans is through the departments because in most cases the department gives them some funding or granting. The moment they are granted money by our legislation, they have to be able to prove they've spent it as was originally agreed to.

So we will tell Municipal Affairs we want the pension plan for all the municipals, and they bring in that private body. The deputy of Municipal Affairs may sit there but the other officials answer. We brought in the University of Saskatchewan with Continuing Education, which is where their funding comes from. We said, we want the University of Saskatchewan in here, the University of Regina, the college in Battleford, and so forth — that we wanted them, and once again their deputy minister sat there, but their people answered the question.

The clout is: if they don't, we sort of told the departments we were going to recommend to the House there be no more grants to those people. You're buffaloing them a little, but you can get away with it because it's government money. As Mr. Andrew said, you could forget about government expenditures almost, and just watch the third-party grants, and you'd be protecting 85 per cent of our budget here in Saskatchewan.

Mr. McLachlan: — Thank you, Mr. Chairman. To give a perspective on the small end of things, we have 16 seats in Yukon Territory. We have 16 elected seats; five serve on the public accounts committee. Unlike so many of the other jurisdictions that I see present here today, the Yukon does have elected members from the three major parties, Liberal, NDP, and Conservative. And unlike so many other jurisdictions I see here today, the opposition has the majority on the public accounts committee. It is chaired by the opposition leader.

We find the number five of 16 to be very workable and very expeditious in getting to the root of things that we wish to inquire about in the public accounts committee meetings. We do not have cabinet ministers on committee. We do not call cabinet ministers, only deputy ministers. We also meet when the legislature is not in session. That is partly due to the fact that, with our small numbers, to take five away from 16, less a Speaker, would cripple the effectiveness of the legislature. Obviously that is in sharp contrast to Ottawa at 282.

We do have money for budget research. We have an estimated figure of $5,000 available for a researcher, when we can find someone who comes up to the specifications that we would need to research public accounts matters, and that is some difficulty for us.

But the closest number of seats, of course, to us would be N.W.T. at 24 and P.E.I. at 32. But as I say, we find the number five of 16, or about a third in our case, to be a very workable number. We get along quite well with that number.

Mr. Webster: — I would just like to add to that that our chairperson is a lawyer, but this has not affected in any way the nature of the business conducted. And I'd have to add, just relating to the previous conversation we had, our committee operates in a very non-partisan fashion and, I think, works very well.

Mr. Belisle: — I would like to address a question to my colleague of Newfoundland. He was just telling us that they have a budget of over close to $100,000. What do you do with that budget?

Mr. Baker: — The research staff would come out of that. When you call witnesses, there are occasions when that would mean expenditure of money. Sometimes you need to get, let's say, a lawyer who is not attached to any particular branch of government, on an independent basis, to give an opinion on a particular legal matter. So you'd use that money to hire a consultant, have a scattered dinner meeting, you know, that kind of thing.

I don't think, if I could add that, you know, we'd normally end up spending the 100,000. We'd probably end up spending 70 or 80, you know, that kind of thing; but it's there in case we need it.

Mr. Belisle: — What is the percentage in that amount spent going to specifically research?

Mr. Chairman: — This is like estimates in the House. I like this.

Mr. Baker: — I'm sorry, I was just talking to our research department. No, I'm not sure of the percentage, but I think the bulk of it goes to travel and this kind of thing.

Mr. Chairman: — Okay? Thank you. Any other comments or questions?

Mr. Blake: — Just to follow up on the answer there that it went for travel and that sort of thing: would this conference here, the expense of that conference, come out of your budget, or does that come out of the Speaker's budget?

Mr. Baker: — No, it would come through the Speaker out of the budget allocated for public accounts.

Mr. Archibald: — I know it's not Newfoundland's turn to be the people making the presentation, but I'd like to ask something as well. I've heard a lot about research today, and I'm not just sure from my experience what we mean by timely research. Could you give me kind of an idea of what areas and how you're doing your research? Are you people trying to second-guess what the Auditor General's doing? Do you hire accountants, or what do you do?

Mr. Baker: — Well first of all, we get the Auditor General's report, the paragraphs there that he's made comments on. The research person that we have is really assigned to the Auditor General and is an accountant and so on, yes.

Once we get the Auditor General's report, we then have a look at it, and the vice-chairman and chairman decide on maybe 8 or 10 or 15 paragraphs that we feel of utmost importance. And then we would turn these paragraphs over to the research person who would then, through discussions with both of us, start investigating various areas, asking for documentation, and so on. And what he does is almost unlimited. He has a knowledge of the financial structure of government. He has a knowledge of transactions and all this kind of thing. And he would simply go back to the civil service and get documents and information, and so on, and put them together with regards to that particular paragraph.

A lot would depend on the nature of the paragraph. If it's a financial transaction, for instance, he may have to go not only to the civil service but to banks and to various investment firms and all this kind of thing. So there's really no limit to the kind of thing that he would do. He prepares a package. And along the way, too, perhaps a lot of extraneous stuff would be thrown out, and so on.

But the public accounts committee gets a package, and then we sit down and examine it. If we have any further questions that we have about that particular paragraph or the particular package that we get, if we have any further questions about it, we would then ask him to go and do further research into a particular area, and so on. It's extremely useful and it takes an awful lot of time. There's one paragraph this year in the auditor's report that he's already spent about three to four weeks just in that one paragraph alone, collecting information, and then following up on the information he gets and getting additional information and so on. That's the kind of relationship there is.

Mr. Pashak: — I might as well conclude as I started. There's no one else on the agenda, is there, for this morning's session?

Mr. Chairman: — We could begin with Ottawa if there is some time, but we don't necessarily need to. We're flexible, I think, on that.

Mr. Pashak: — It's occurred to me that it might be a helpful exercise at maybe some future meeting if we took a case example and see how the different jurisdictions might handle that case example in terms of who they'd call as witnesses, or where they would break off between probing the policy side of it, and how they might keep it non-partisan and that kind of thing.

Mr. Katzman: — I thought we were going to go to Ottawa, but I assume that means we're going to them later. If you have more time — I was hesitating because of time limits — but I think that Alberta asks an excellent question there. And I think in 19 — I think Toronto was '84 — they went into that type of scenario, and they talked about different things that they had done and how they would investigate it. So by getting some of the past conference material, you may find some of your answers.

I think the one thing we haven't said is the make-up of the individuals on the committee will tell a lot if you will be non-partisan or partisan. And I'm talking about the individual members, not the party membership. In this House of 64 members, there's probably a dozen members on each side of the House that get along very well as individuals but not politically, and that is the key if, in the committee they can get along as individuals rather than breaking down in political strife, which has happened in our committees at times.

And the key is, the make-up of the individual will either make the committee work, or if you have two or three individuals on the committee, they can destroy the committee. So the selection is very intentional.

And when your premier or your leader of the opposition make the selections, the selection could mean the breaking or the making of the committee. And in

Saskatchewan's case, we have, when one member occasionally was there, the place was a shambles. When that member wasn't there, things ran rather smoothly. So the make-up of the individuals is key.

Mr. Chairman: — Thank you, Mr. Katzman.

Mr. Blake: — Some of us have been around the public accounts committee for a number of years, like Ralph. You mentioned case studies. I think it was in Victoria in '81 or '82, the Yukon had an excellent study. You'll find it probably in the proceedings from some of the back meetings. I think there was a sewer contract or something, where the contractor hadn't fulfilled his obligations.

And it was quite a lengthy examination and exposé, if you will, of what can happen when sort of . . . not cover-ups — I don't want to use that word — but when the answers aren't being given openly and you start probing and finally getting the answers that you want. I think that was an excellent presentation that they made at that time, and that would be helpful to members of your committee when you can dig that out.

Mr. Webster: — Just the reference to that, it was the P.E.I. conference in 1984.

Mr. Chairman: — Is there anyone else who wishes to take part in this discussion? If not, I'm looking at the time, and I'm really at the wishes of the committee.

I would make a suggestion that unless there are further questions or comments on this topic, rather than giving Ms. Nicholson only five minutes and then probably cutting her off and continuing in the afternoon, that we begin to start assembling for our bus trip to the Centennial lobby of the Centre of the Arts. Our lunch is not here; it's at the Centennial lobby of the Centre of the Arts, which is just down the park. Buses are being made available at the front door. There will be refreshments provided at the centre.

I would remind you also that there will be an official photograph which will be taken at 1:30 on the front steps of this Legislative Building, so please be there. If I am correct, the photographs will all be available before we adjourn, within the next three days, so you'll be able to have access to them.

Are there any questions on the noon hour? I think it's straightforward. If there are none I will declare this morning session adjourned until we reassemble at some time after 1:30.

Recessed

Mr. Chairman: — Good afternoon. I see, if I may have your attention, all of the people who push buttons and make our mikes live are in place, so we can begin. I failed this morning — I was thinking during lunch — to introduce our page. Our page is Pam Quinette, who's been looking after you and bringing you the things that you ask for.

Members: Hear, hear!

Mr. Chairman: — Pam is also our regular page when the legislature is assembled. I would also like to introduce Mr. Gerry Kraus, who is our comptroller, sitting back there and overseeing everything that's going on. Welcome, Gerry.

Members: Hear, hear!

Mr. Chairman: — With that, I think, without further ado, we will just proceed with the business session. Oh, one more thing, sorry. You will remember Mr. Jack Klein, the MLA for Regina North, seated at the back over here. Jack has offered — on Wednesday afternoon, Jack, or Wednesday morning?

Mr. Klein. — Afternoon.

Mr. Chairman: — Afternoon . . . to take — being an avid golfer — to take along anyone who would like to go golfing. I know there are one or two people who are not going on the Big Muddy tour and are going golfing instead because they're staying in the city. So see Jack some time throughout the day and let him know if you are interested because he has to put in a booking. I had lunch with someone today who said he hasn't been out this year. I'm not sure you should go with Jack; he's a pretty good golfer, but he'll be polite. So there you are.

Ms. Nicholson from the House of Commons, Parliament of Canada, will lead off this afternoon with a presentation. You have the floor.

Ms. Nicholson: — Thank you, Mr. Chairman. The public accounts committee has been very active on a number of fronts since October '84, but what we chose to present to you today is a little more inward looking because it has more to do with the rules and procedures of the public accounts committee itself rather than with the departments or issues we examined.

You've had circulated to you a copy of the 12th report of the public accounts committee to the House of Commons, in which we made certain recommendations to the House, and also a copy of procedures and practices which the committee adopted recently.

In the report to the House, the key recommendation there was that the Auditor General's Act be amended to allow for periodic reporting. The amendment we would like to see consists essentially of the two words "at least" before "annually." The Act now requires the Auditor General to report annually to the House of Commons. And by putting in the words "at least," we were looking to a situation where audits would be reported on a completion date basis so that the public accounts committee would be able to deal with current material instead of, as now, dealing with events at least a year after the event. That was our key recommendation, and it's one that has been made before.

Secondly, we recommended that one sitting day be allotted to a debate in the House on the reports of the public accounts committee in that year. We thought that this would focus attention on the work of the public accounts committee and that it would also perhaps be a tool to ensure compliance with some of the reports and

recommendations.

We have also suggested that the estimates of the Auditor General's department come to the public accounts committee. We suggested this because the estimates are currently dealt with by another committee which used to be called miscellaneous estimates and is now more accurately called government operations. But it seemed to us that since we work very closely with the Auditor General, that our committee has the knowledge to do a more sensible examination of the Auditor General's estimates.

Another proposal on those lines that did not come from the public accounts committee was that the officers of parliament, such as the Auditor General, the Chief Electoral Officer, and so on, should have a separate committee set up to examine their estimates because they are obviously in a different position from a department which is responsible to a minister. However, our preference is that we deal with the Auditor General's estimates.

So those were the three key recommendations in the report to the House of Commons. Under the rules, we're entitled to ask for a government response, and this we have done, and that has to be forthcoming within 60 days, I believe.

Now we also adopted some procedures and practices as a committee, and for that we don't need House approval. The key one there was a decision to plan our work in a different way.

The public accounts committee has long had permanent reference from the House of Commons of both the Auditor General's annual report and the *Public Accounts* of Canada. In practice, the committee has tended to choose the areas of examination from the Auditor General's report much more often than from the *Public Accounts*.

But we plan to refine this system more, to have regular planning meetings with the Auditor General, to plan work for six months ahead, and that in some cases we may ask the Auditor General to undertake a special examination. We would do this only reluctantly because, of course, the Auditor General now operates on a five-year plan; and if resources are diverted to pursue an interest of the public accounts committee, this would be done for quite significant reasons.

In our own examinations, too, we are also trying in our dealings with witnesses to make a very difficult distinction between the responsibilities of ministers and the responsibilities of officials. There's a long-standing tradition, of course, that officials' advice to ministers is privileged, and there are very good reasons for that, and one would not want to see that changed lightly.

But nevertheless, accepting that, we're of the opinion that the kind of economic analysis that is done by officials before advising ministers on policy options should be available in most cases, if not to the public accounts committee, certainly to the Auditor General; and that in any case, we are entitled to ask that such economic analysis was done.

We realize we're on rather a knife-edge. But nevertheless we are trying to insist on holding the officials responsible for the accuracy and completeness of the advice they give to ministers, in so far as we are able to establish what that advice was.

Finally, I should say that what we have done in terms of the rules for the public accounts committee was in the context of the House of Commons having adopted new rules. I think some of the members of the provincial Houses might very well like to study the new standing orders of the House of Commons which do give committees much more powers.

In terms of staff, there was some interest this morning about staff. The new rules now allow committees a lot of latitude at hiring staff. The public accounts committee has not yet taken advantage of those rules. For the moment, we are staying with our tradition, which has been to ask the library of parliament to allot researchers to us.

For many years now we have had the services of two researchers from the library of parliament, one of whom is an economist and the other a chartered accountant. But since the new rules will allow for more staff, we now also have the possibility which we're just starting to examine. We're not anxious to rush into large expenses, but what we probably would want to examine would be hiring a contract employee from time to time for a specific project.

One of the aspects of the British public accounts committee that really interested us was the role of the treasury officer of accounts, I think he's called, the official who is responsible for liaison with officials and for ensuring follow-up. And without wishing to duplicate that role or establishing a new staff position, we have talked with our comptroller general, who is, in fact, quite interested in assigning one of his deputies to our committee to work with the committee and try and meet some of these functions.

So essentially where we're at is trying to ensure that our recommendations receive more attention and are implemented. And we are concentrating on them, trying to be more effective without getting launched onto very large and expensive endeavours with additional staff, but simply making a different use of the resources we already have. I think Mr. Guilbault might like to add something before we go to questions.

Mr. Guilbault: — Just like you mentioned this morning, since we had the House reformed by Mr. McGrath, we only have only eight MPs sitting on the committee. Before we used to be 10 regular MPs sitting on the committee, and we had 10 substitute.

I must mention also that we have a staff like Madam Nicholson just mentioned, researchers and clerks, and we have a budget of $34,000 expenses for that — not for the clerk, but for the expenses.

Like the paper you have just distributed to you this morning, you've seen that we were to Washington and

London to inquire about their difference of operating between them and us. One that Madam Nicholson didn't mention is that the president down there, and also in London, has got a lot of power, and the president of the committee puts lots of questions, and the witnesses have to table their report before, so they cannot avoid the questions.

The steering committee is also very important because they have to table their document a week before. So the steering committee meet all together, and they prepare questions, and they table only good questions, so every question can be asked. And the witness, they don't have to put their documents, you know, and just express it before. That's the main thing, I guess.

Mr. Chairman: — Thank you, Ms. Nicholson and Mr. Guilbault. We'll open the session up to questions and comments. Who wishes to start it off?

Mr. McKee: — It was mentioned this morning that university officials were called before committees. Do you call in people who might have benefited, institutions or otherwise who might have benefited from government grants or what not, or do you do that through the department officials?

Ms. Nicholson: — No, we have not called in outside people except very rarely, certainly not in this parliament, because the emphasis is on the accountability of the officials — did they set in place proper systems for the group that received the grant to be accountable, was there adequate monitoring, this kind of thing.

The Auditor General in most cases should have done a detailed audit, and we would be starting off with the Auditor General's report and with the officials' response to it. Because when we call a department before us, the staff go to the department beforehand, they meet with the deputy minister or whoever he assigns, explain the kind of questions the committee is interested in, and ask for a statement in response to those questions to be tabled or to be provided to us before the hearing. So therefore at the hearing, our questions will be very specific.

Mr. McKee: — If I may, Mr. Chairman. You none the less have the authority, the mandate, to call witnesses before your committee. Do you also have subpoena powers to call your witnesses? You do.

The final question on your budget. You have the research facilities and what not; your budget would be for other expenses. What might those expenses be?

Ms. Nicholson: — The current budget, in fact, for this year is about $60,000. Most of that is translation and printing. Our committee has spent very little on travel. This year we went to the U.S. — we went to Washington and to London — but for years the public accounts committee did not travel at all. So our budget is made up of the bare bones things that you have to have, you know, such as printing and translation and staff salaries.

Mr. Katzman: — I wonder — and I should have asked the question this morning of others. Do you have the same powers as the House of Commons — for example, protection for things said from suit and so forth — for your committee witnesses as well as members?

Ms. Nicholson: — There are different opinions on this, but yes, I think the powers are essentially the same as the House of Commons, but the public accounts committee has not had any controversial witnesses before it recently. But another committee that I served on did call witnesses where the subject matter was such that it was important for them to know if they had privilege or not. An opinion was got from the legislative counsel of the House at that time that statements in committee were privileged.

Mr. Katzman: — Mr. Chairman, when our committees sit each day and we have a new group of witnesses, our chairman reads a document to the witnesses saying you are exempt from this and so forth and tells them the rules. What you tell me is, you don't have that kind of procedure so a new witness who's never been there will realize he's protected from libel or anything else while he makes his comments — or from prosecution. And there will be public comments as well.

Ms. Nicholson: — Of course our witnesses are public servants and senior public servants who should know the rules. But your point is well taken. No, we do not make it a practice to read any such statement.

Mr. Katzman: — We have found with your outside people, like universities and those groups there, that makes them at ease when they realize that there is some protection if they misquote a number because their memory wasn't functioning 100 per cent because they didn't bring a document. They all say, well I believe this is right. Well they can't be prosecuted because their number is slightly out. You know, if they are going by memory, they are trying their best.

I would think in your House or anywhere else, your bureaucrats would be a little more at ease to answer, saying, I recall it to be this way but I don't have those documents with me, because they know, you know, they can be close. I find it makes our committee work better.

Mr. Chairman: — Anyone else?

Mr. Guilbault: — About saying if the MPs were paid, especially for committees, our MPs are not paid for that.

Mr. Chairman: — Thank you. In Saskatchewan if we sit in a committee other than during the session that there is a per diem.

Mr. Katzman: — The system in Saskatchewan is that if the House is sitting and a committee sits, there is no extra pay. If the House is adjourned for more than 30 days, you would be paid a per diem and your living expenses in Saskatchewan. But we must be not sitting for 30 days.

Mr. Chairman: — Thank you, Mr. Katzman. Can I just interrupt for a moment. There's some students in the gallery that our delegation from Quebec would like to introduce.

Mr. Belisle: — It's a pleasure for me to introduce the students. Some are from Lac St. Jean, Alma, and other

places. They are visiting Saskatchewan right now, I think during the course of an exchange. Is that it? Welcome.

Members: Hear, hear!

Mr. Chairman: — Welcome indeed. It's good to have you here.

Mr. McKee: — I was just wondering what kind of per diem your province pays?

Mr. Katzman: — The per diem is based on a formula, if you live . . . Sorry. The per diem is $109 a day at this time. It was based on an original per diem of $100 a day and has gone up with inflation and members' increases. If you sit on a committee, any committee of the government when the House is not sitting, it's based on approximately what you get as a sitting member for the session. It's based on the formula of how the session money was originated. We get $7,000 for the session, be it 10 days or 70 days. The press has just indicated we sat 70 plus days. The joke of it all is the Board of Internal Economy that did the budget missed by one day when we planned in January how long we would sit this year. So maybe some of us are wiser, that are on the Board of Internal Economy, and realize that the Houses are going longer, Mr. Chairman.

Mr. Chairman: — Mr. Guilbault, did you want to comment first?

Mr. Guilbault: — I just want to mention a thing, Mr. Katzman.

Mon nom est Jean-Guy Guilbault, député Drummond au fédérale à Ottawa, et aussi il y a deux autres députés Québécois. Je ne sais pas s'ils peuvent se presenter.

Mr. Belisle: — I would like to ask my federal colleagues, what are the modifications that you have envisaged pursuant to your trip to England and the United States and Washington with regards to the public accounts committee mandate and procedures? Did you envisage any type of modifications, amendments to the procedures, the mandate, from facts that you have collected and gathered in England, in the United States, in Washington?

Ms. Nicholson: — The recommendations that I've described were based on those two visits. There were the three which will require the agreement of the House of Commons, and then there were others that were matters for the committee to develop themselves.

Mr. Belisle: — Am I to understand that the others that were of the matter of the committee to deal with themselves were mentioned during the course of your intervention?

Ms. Nicholson: — Yes. And you have the report before you. It's called *Procedures and Practices of the Standing Committee on Public Accounts*.

Mr. Belisle: — Apart from those modifications, there are no other modifications envisaged?

Ms. Nicholson: — No. Having looked at both systems, both of which had some similarities with the Canadian ones, and also great differences, there were many ideas that just did not seem applicable to our Canadian system. Those that I've put forward are those that we thought could be useful.

Mr. Guilbault: — Yes. There is something else that we have not discussed. This is that our Auditor General has a very high profile. The one in Washington and the one in the U.K. in London, they both have to table their documents to the public accounts committee, while ours presents us his report and makes a press conference after that. Then there are stories that, you know, he's tabling that. But a good fact in Washington and also in London is that they have periodic reports. In London they also report and comment about privatization of companies.

And as you know, in Canada our Auditor General is designed to examine the accounts of Atomic Energy of Canada, the CBC corporation, National Capital Commission, National Arts Board, St. Lawrence Seaway, and things like that, but he doesn't audit Air Canada, Bank of Canada, or either CNR and even Central Mortgage and Housing Corporation.

Ms. Nicholson: — If I could just expand a little on what Mr. Guilbault said about the Crown corporations, a Bill was passed in '84 according to which most of the major Crown corporations will come under the Auditor General's umbrella for audit, and that's being phased in over a five-year period.

Mr. Blake: — Being from one of the have-not provinces, we very rarely sit when the session is not convened. But the per diem rate for our standing committees is $50 a day. I'd be interested in knowing if the federal committee receive a set fee for being members of that committee, or do they get a per diem when they sit between sessions?

Ms. Nicholson: — Neither. There's no extra emolument for serving on the committee in the federal system.

Mr. Garon: — I don't remember if it was the Auditor General or somebody else made a survey on the public finance in Ottawa, and it was said in the report that Ottawa lost control of its expenses. What do you say about that?

Ms. Nicholson: — Yes. That was Jim Macdonell, the previous Auditor General. You know, it's a strong statement. It was following that that the office of the Comptroller General was established, and the Comptroller General's function was indeed to put in place various systems and procedures as recommended by the Auditor General.

So a lot of water has passed under the bridge since Mr. Macdonell made that statement. I think if you asked the present Auditor General that he would say that he is pretty satisfied with the progress that has been made since then.

Mr. Garon: — When the deficit is, like the income in Ottawa would be . . . The expenses were $105 million last year, and the income around $70 million, and deficit about $35 million; that means the deficit is about 50 per cent of the total federal income. Would you say things

have been corrected when the deficit is so high compared to the income?

Ms. Nicholson: — You see you are now dealing with a policy matter about expenditures and taxes, which is not within the ambit of the public accounts committee. What the public accounts committee starts from is: we start with the actual expenditures, and our mandate is to see, were those moneys expended as parliament decided and voted and with due regard to economy and efficiency? Whether the money should have been spent or not is dealt with in the House and in the finance committee and in other places, but not by the public accounts committee.

Mr. Garon: — Do you look at the opportunity of the expense? I remember, a few years ago they said — the amount, I don't know — the Canadian army had berets for I don't remember how many hundred years, you know; or I remember, like, the army had that kind of coats for 100 years to come, something like that. Do you look at the opportunity of expenses following, depending on the needs of the . . .

Ms. Nicholson: — I'm not sure what you mean by the opportunity of expenses, but . . .

Mr. Garon: — I remember they said something about the American army has ketchup for 1,000 years to come, and so I suppose they bought too much ketchup. I mean the opportunity of the needs, you know?

Ms. Nicholson: — I think what you're saying is: do we look at whether that expenditure should have been made in the first place? — and generally no, not the public accounts committee. The public accounts committee will start from the point of view: government voted this money; was that money expended with due regard to economy and efficiency?

The policy decision about should the money have been voted in the first place — was that a necessary expenditure? — that gets dealt with at estimates committees and in the House. The public accounts committee takes a pretty narrowly focused viewpoint on accountability as distinct from the basic policy.

Mr. Garon: — You look, after the money has been voted, if it has been spent correctly or not?

Ms. Nicholson: — Yes, after the money has been spent, because we start from the *Public Accounts of Canada* and/or the Auditor General's report. So we are coming in after the money has been spent to see if it was spent as parliament meant it to be spent and with due regard for economy and efficiency. The basic policy decision of should the money have been voted for that purpose in the first place — our committee does not get into that. That's dealt with elsewhere.

Mr. Garon: — That's not very precise because, you know, when a budget is voted in the parliament, it's about a guide-line; it means no more than guide-lines. You have so much, say, for agriculture, so much for crop insurance, so much for credit, so much for drainage, stuff like that. But it doesn't mean it will even be spent that way, because after that you go to the treasury board and you ask for authorization to do that or that. So if you check only if the budget has been voted that way, you don't check very much. That's my feeling. I don't know if it operates like it operates at home.

When we have a budget, it's really a general guide-line. But after that you have to ask authorization for specified expenses, or with a program adopted by the council of ministers, or by a program adopted with rules by the treasury board, or other expenses with bids after that going publicly. But if it's only the budget adopted by the members of parliament, that doesn't mean very much, I think, to me.

Ms. Nicholson: — Well the hon. member is, of course, entitled to say that what we do doesn't mean very much. But may I point out that perhaps he is the exception, because I understand that in Quebec you do have a combined committee which deals with both estimates and overview after the event, but you are an exception in that. The public accounts committee in London certainly doesn't operate that way, and that's the basis on which our committee was developed.

I think there are certain advantages in having certain functions separated. But I'm going to ask Mr. Guilbault to add a little more.

Mr. Guilbault: — I think Madam Nicholson just mentioned that Quebec got another way to function. With us . . . (inaudible) . . . is presented and then the spending, it goes to the treasury board and then to the Finance department . . . the estimate committee also. That's the same thing the House does.

Mr. Katzman: — I think, Madam, you hit the nail on the head when you said, earlier in your comment, you look at what the money was voted for, and that's all your judgement is made on in public accounts. I think that is exactly what our job is as public accounts committee, is the House voted.

And I will use an example. In Highways in Saskatchewan we have six distinct areas, and we vote on the amount of money in maintenance in each of the six areas of the province. If money is spent in area six more than what was voted, it must be vired over from area one to area six, and therefore it shows up in our *Public Accounts* document as it has been moved from where the original House voted it, even though it's still within the Highway budget.

Now if Highways does not spend its total money and some of it is warranted to another department that overspent, once again our public documents must record and show that. That is a change we made in public accounts in the last year or two. So if it was not exactly voted in exactly that position and spent in that position, then we as a public accounts committee should chastise whoever did it if they don't show us the virement or the warrant so we know why it was moved, and we will question in public accounts all those movements because that's not how the House voted the money.

And that's why our committee, I believe, can stay

non-political. And that's how come we don't get in fights over party lines and so forth, because all we're saying is: the House voted this; now, Mr. Minister, why didn't you stay in what you were voted? It stops the minister from playing. And now in the last three years, by showing these two things publicly, I'm assuming you people do the same, and so you know if anybody's moved money around. Am I correct?

Ms. Nicholson: — Yes, we know if money has been moved around, and we regard that very seriously. By and large we do not call ministers; we call officials because the emphasis again is on the delivery of the service, on the implementation of the policy that parliament approved.

Mr. Belisle: — With regard strictly to the assessment, if the expenditure has been made in conformity with the authorization that has been given by parliament or the legislature, does your committee go ahead and do quality cost-ratio analysis?

I'll give you an example. In Québec city, when you'll come next year, you'll see beautiful tiles. Those tiles were bought at $400,000 for the purchase of the tiles and the installation of the tiles. Now that's the denominator of the ratio. Apart from that you've got the upper part of the ratio which is quality.

Now have you got any criteria for judging quality of goods, services, products, professional services acquired on behalf of the Canadian government? Is that procedure often used?

And my second question which goes to you: the lower part of the ratio, the cost aspect, do you respect in all your judgements or assessments of the expenditure gesture made by your officials that they have to respect the fundamental obligation that they have to reduce expenses? Those are my two questions.

Ms. Nicholson: — Well, for the detailed cost benefit analysis we rely primarily on the Auditor General's department. The Auditor General has a staff of, I believe, about 400 professionals? Six hundred, the clerk advises me. And when we have departmental officials before us, we normally have also a comprehensive audit done by our Auditor General, and that is done on the basis of value for money. And we have the Auditor General or the principal who conducted that audit appearing with us at the same time as the officials from the department, plus we will have had additional briefings from the Auditor General's staff before we meet the officials.

So since there may already have been a million dollars' worth of accounting before we start our examination, obviously we would not see the need to duplicate their efforts. But value-for-money auditing is, you know, the name of the game in Ottawa, so that all this kind of information is available to us as we start our inquiry.

Your second question on do we require officials to be cost conscious. Yes. And in the nature of the questioning by members, we'll very often ask officials to justify why a particular course of action was recommended. This is what I was referring to earlier when I was saying that we think, even though the final policy decision may be taken by a minister, that the economic analysis and the costing of options beforehand is part of the advice to ministers that we think could reasonably be made public. At any rate, even if we're not able to get to see the actual advice, we do consider that it's an important part of our work to ask officials if they did cost benefit analysis and if they did comprehensive economic analysis of options before recommending a course of action to a minister.

Now we all recognize that sometimes the cheapest way of doing things is not the best, but that is a decision that should be made after full examination and costing of alternatives. And that is the point of view that we put forward.

Mr. Chairman: — Thank you. Are there further comments before we move on?

Mr. Katzman: — You just made one comment that very much intrigued me. You said sometimes the cheapest isn't the best. How does a department verify that, either to you or to whoever he verifies to? I believe you're correct. In construction you must judge if it's lasting 10 years or 20 years. So the lowest price isn't always the best. You're telling me that you make that judgement in your committee, or somebody else does?

Ms. Nicholson: — No, I'm saying that we recognize that may be the case, but if it is the case, that the officials should be prepared to justify it and back it up with facts.

Mr. Chairman: — Thank you, Ms. Nicholson and Mr. Guilbault. Did you want to add anything before I move on to British Columbia? Okay. I'll ask British Columbia to make their presentation.

Mr. Lea: — Thank you. Well like Alberta, I did not come with a prepared presentation, so probably unlike you, I can't wait to hear what I'm going to say. It always intrigues me; not always others.

The hon. member for Quebec, I think he was referring back to when they found that the army was paying horses on the payroll . . .

A Member: — Yes.

Mr. Lea: — That's right. And probably they don't do that any more, but I guarantee they probably still pay some horses' asses in every government.

You know, one of the feelings that I get out of this committee is a certain amount of frustration with all of our committees and with the governments and the legislatures that we serve in. And I think Minister Andrew put his finger on the overview of, is it working or isn't it working? I can tell you, in British Columbia, that the public accounts committee does not work. There is no time that it's not partisan at all. Nor does the House work. Nor does the legislature work. Nothing is working.

And I don't think that we're unique in that. And I think that's what Minister Andrew was talking about. Do the committees that we serve in, and the legislatures that we serve in, actually carry out the functions on behalf of citizens that are the most beneficial? In other words, is the

form of government that we're working in the kind of government that will serve the people in today's modern world?

I was talking with someone earlier about Mr. Andrew, because I know of him. And somebody from Saskatchewan said, well he's 10 years ahead of his time. I don't know whether that's true. I think he's probably in time, and others are 10 years behind the times.

You know, times are changing rapidly. The world we live in is changing rapidly. Both the social values, the economics that we live in, are all changing rapidly. And I think there's a question in people's minds as to whether any institution in society that we have can serve the public, whether it's the universities, the institutions of education, the institutions of health care, the trade union movement, management, legislatures.

And I think that's one of the things that we're facing as legislators, that the people out there sense that it isn't working and that it possibly can't work; that we have to take a look at ourselves and not go through a reformation but go through a transformation to meet the kind of changes that are rapidly on us every day.

For instance, we're going through an economic revolution. We're moving from what some economists call the mass economy or the old smoke-stack economy into an information economy and to an economy where education is even going to be more vital than it has been in the past if we're to move forward and build a new economy.

All of the institutions that we have, and probably especially the one that we work in, were devised out of social contracts from yesterday. Out of those social contracts came institutions. And the institutions today, based on those old social contracts, can't possibly work. I don't mean that we throw everything out. But the time does come when we have to examine in detail whether or not the institutions that we work in, or are involved in, can meet the needs of a very complex and changing society.

What I find in British Columbia, and I would be very surprised if it isn't the same in most areas, that there's basically no difference between the political parties. Now in British Columbia we have what some people consider to be a very left-wing official opposition, and in government a very right-wing government. And if you listen to the rhetoric, I think you would probably discover that that's true. But when you watch them, in fact, you find out it isn't true — that their economic policies are the same. All political parties that I know of today are operating under Keynesian economics, whether Keynesian economics will fit or not in today's modern world.

And so what I find when we talk about the partisanship and the confrontation, what else is there to fight about if we've all become the same? Are the economic policies any different? I mean, is anything really changed in Saskatchewan? Well we know it hasn't in Canada, especially if you're a western Canadian or an eastern Canadian. And you look at Ottawa and you say, what's changed? Are the policies any different?

So what we have are politicians running around saying, if only we could get in there and manage the old system better, it would all be better, because we're better managers, or we're smarter than the others.

However, when they get in there, they find that they run things in the same old way, under the same old rules. In British Columbia, if the government brings in a resolution and it happens to be the Lord's Prayer, the opposition will amend it and vote against it. It doesn't matter which is government and which is opposition.

And from my observation of politics across the country, the same thing is happening. And we're not dealing with the new changing world that we live in. And it seems to me that these kind of conferences are conferences where we could share some ideas about that changing world. I know that we're here for a specific task, but I also tend to think that these conferences, the agendas are drawn up so that we can have some excuse to be here. And I think that there are a great many issues that we could, at these conferences, discuss as people — some people new into public life; some who've been around a long time — and talk about some of the problems that we're really having.

Does public accounts work? Well I guess we could say that, when I listen to Ottawa, I say, well, in a technical sense I can probably see it working the best in the country. But my God, look what they're looking at. I have to commend them on the work they did on the tax credit that went on. Anybody that had anything to do with that tax credit system should be jailed fo. iminal intent as opposed to getting a pension. So I commend the committee from Ottawa for doing that work.

But that's just touching the top of the iceberg. What we're trying to do is solve all of today's problems with answers from yesterday. And so public accounts committees are just looking at it and saying, well I see the legislature voted to store nuclear weapons out in the country; I wonder if they've bought them according to good practices, and whether or not it should have been done in the first place. I don't think that's even examined in the House.

Also, Minister Andrew talked this morning, and others have talked about the new presidential system that we may be turning to. I don't think it's changed very much. I think premiers have always been in charge because they say who's going to be in cabinet. Is there any difference? I haven't seen any difference in the last 15 years. Whether they campaign in a presidential style or not, they all operate the same once they're there. If you're not a good boy in the back bench, or a good girl in the back bench, cabinet's out. And that still works that way, I think, everywhere.

So you know, even though we may be doing our job to varying degrees in public accounts, I don't think we're examining anything that really matters any more, because we're examining a system that doesn't work. We're examining legislatures that aren't working to serve the people. I think if we were talking about a decentralized government approach and a decentralized economic approach, we might not have to have the

public accounts committees around because people would be dealing with problems that they can actually put their hands on, problems that they can see.

The further government is away from the problem, the less chance it has to work, in my opinion. That's why Ottawa and B.C. doesn't seem that relevant to us, although probably it is in Ontario, and possibly Quebec.

I know in my 14 years in the legislature, every time we pass a law, a rule, a regulation, and we say to the civil service, would you take this generality out and apply it to every specific that you meet? we find that it works in the north-western part of the province somewhat; not at all in the south-east; and possibly a little bit in the middle. It just doesn't work any more trying to run the country from centralized capitals.

The economy is decentralizing whether we like it or not. And we're trying to still deal with it in a centralized way. And public accounts is part of that old, centralized system. They go to Ottawa and they say, well we're having a bit of economic problems these days; let's lower the interest rate and tighten up the money supply, and do this and do that. Then they put it in and they find out that it affects Toronto much different than Vancouver or Halifax. And so the whole system isn't working.

So what are we in public accounts? Is it our job to make sure that the system that doesn't work runs properly, or the way it's always run? And I think, as legislators, we'd be much better off talking about whether the system works or whether we have a good check on the system in public accounts.

And when we get together from all across the country, I think it could be a heck of an opportunity to discuss those things. It may not be on the agenda, but I'll bet you a dollar to a doughnut that most of us in this room are watching things that we know doesn't work and we tend to . . . You know, if we take our job seriously, it's one thing; but when we start to take ourselves seriously, we're in real trouble. We tend to do that a little in politics, too.

So I can quite frankly tell you that, as I started out, in British Columbia it's not working, and I don't see any opportunity of it working. I see other jurisdictions that are possibly a bit more civilized in terms of how they deal with one another, and so they assume it's working. In B.C. we yell and scream at one another and it is a circus, so it doesn't appear, and probably isn't, as civilized in some ways. But I'm not sure that it would make any difference if we actually sat down and decided we were really going to do something about it, because we'd still be dealing with the old system, and we have politicians out of office who are hoping they can get in and run the same old system — better.

But I guess what I'm saying to a great extent is: the work that we do in public accounts, although it may be interesting to us, those of us who are doing it, I'm not sure that we're even tracking the correct procedures in the first place to get good government, so I'm not sure whether our committees are that worthwhile.

Mr. Chairman: — Thank you, Mr. Lea. I think your comments about our institutions needing to catch up with the changing world are challenging, and I look forward to the questions and comments. I think I saw Manitoba, Mr. Blake.

Mr. Blake: — I know Graham told me earlier that he caucused his paper and had full agreement from his caucus to present it this afternoon.

Mr. Lea: — Every one of them loves me.

Mr. Blake: — I think many of us that have been serving in the legislatures for some time feel very much the way that Graham does, or has found himself in, in many of the things that we try to accomplish in public accounts, although our public accounts committee operates somewhat differently than many of them.

But something to follow on his remarks that many of us may be thinking over: one of our members who puts it so eloquently to the members when they get feeling this way — he said, you know, there are a million and some-odd people in Manitoba, and there are only 57 members elected to this Assembly, and you're one of those members that have been sent here by your constituents to serve the people of Manitoba, so just think how fortunate you are in being elected to serve in the legislature. And that sometimes makes you feel a little better when you get frustrated with what happens in that august Chamber.

Mr. Chairman: — Thank you. I see Mr. Katzman from Saskatchewan.

Mr. Katzman: — As Mr. Tchorzewski knows, I'm not scared to speak my mind. Mr. Lea, I don't agree with you. I would suggest that you are looking at two different things: (a) the system, and plus the instructions of duty you have. Instructions of duty we have as a public accounts committee is to examine, which we do. What we do with that information after it leaves that committee, and what recommendations we make with it within our caucuses, our governments, is what you are now talking about.

If we can learn from our errors that we pick up in public accounts, we can improve the future system. History is the best teacher for the future, because you don't want to make mistakes over and over and over. What I believe is, public accounts is checking the past to make sure that we do not make the same errors in the future, and to hopefully graduate to a better plane of use of the government's money, or the taxpayers' money.

Mr. Andrew indicated this morning that he personally suggested people don't want bigger governments; they want less government, and they want a better use of the dollar they pay. The question sometimes is, and what you're getting to: have the politicians got the backbone to take some unpopular stands to change the situation? And that is not part of the public accounts mandate; it is part of the Legislative Assembly mandate.

But governments get elected on popularity, and that is some of the reason it is very difficult to take some very tough decisions, because you've got to get a look at getting re-elected four years down the road. Let's be

honest; we're all politicians. The bottom line is, will I or won't I get elected?

Some of us are not running again and therefore have a little more privilege to say a little more of what we think, because we're not going back to the polls again. And the problem is, governments cannot lead, and members can only lead from the back of the bus if they're a smart member. They can very seldom lead from the front of the bus because you must make sure that the citizens are prepared to make the turn, not just you as a member.

So when I commented to you earlier today that Andrew is 10 years ahead of his time, Andrew is right on what he is suggesting in the future for taxation, in my opinion. But it will take a long time till the public agrees with him. And therefore he tried to drive from the front of the bus.

In public accounts what we do is, we correct and recommend in the future we should not make these changes. And I think as long as we do that, we're doing our job. But the other position I sit in, as a member in the House, is I'd better straighten my minister out if he's going on the wrong track from what I learned in public accounts. You tie the two together, and I think we do our job. You take them independent, and you're not doing your job.

Mr. Chairman: — Thank you, Mr. Katzman. As he has said, he indeed speaks his mind, and that's why I've been waiting for a long time to sit at this table, where he usually sits, so I can cut him off. But I haven't had the chance to do that yet. Are there other questions or comments?

Ms. Nicholson: — Yes. Well, I think Mr. Katzman puts his finger on it when he says that the public accounts committee is one aspect of the legislature functioning, and that therefore we must tie things together in order to be effective; that the public accounts committee alone won't change the world, nor will an estimates committee or a finance committee or a question time or anything else. But putting things together can.

And it's true that it's often frustrating, for those of us who serve on public accounts committee, that we're dealing with things after the event. But nevertheless, the corrections that we look for in our reports certainly influence the future.

Just a couple of examples that we've dealt with lately in Ottawa. The Auditor General had put his finger in one of his reports on certain aspects of the government-wide handling of cash management. And in the hearings that the public accounts held, we called the Canadian banking association, whose information proved at some point to be in conflict with what the Department of Finance officials were telling their minister and telling us. And it was possible, eventually, to get a resolution, and there is a new system of cash management in place.

Now what the actual savings to the Crown with the new system would be is not yet clear. At one point the Auditor General thought there might be a $40 million saving in it. It now looks as though it will be less. But in any case, our recommendations and our pressure on the officials to sit down at the Canadian banking association and resolve this did result in a resolution of a problem that had been there for years, did result in certain savings to the taxpayer.

And I think that's important because this is obviously what the taxpayers want, is to have their money prudently looked after and to have their taxes going into constructive things like education and health care, but not being frittered away on inefficient administration.

Another one that we dealt with was job classification. The Auditor General again had found a lot of inefficiencies and rigidities, over-classification and under-classification, in the public service commission. Over-classification obviously is cost to the Crown in terms that people are being paid too much. Under-classification means unhappy people whose work is not being recognized, and there are human costs there in poor morale.

And our recommendations, we'd like to feel, made some difference there, including one thing that we found was that the civil service commission was claiming, in the case of lay-offs, that they were operating what they called a reverse system of merit. In point of fact, we found they had no criteria for it. So this means that somebody who was laid off, in addition to the pain, the economic pain of losing a job and so on, would be carrying around with him or her some kind of stigma of being less efficient than others, when there really were no criteria for it.

Again, I'd like to think we've got that corrected. And that's, I think, a rather important human cost that the public accounts committee . . . I think, if we're doing our job properly, we're not only concerned with dollars and cents.

We had a large study on the Department of Public Works, partly because of the Auditor General's findings and partly because of further information that we elicited. We found that the officials were carrying great big inventory that they really didn't need, and that they didn't have things properly costed. This is being corrected.

So I think the bottom line is that the work we do isn't glamorous, but it is essential, and that the key is to make it fit with our other work in the House so as to ensure that what's learned about a mistake then gets carried into developing something more creative in another way.

Mr. Archibald: — Thank you very much. Mr. Lea from British Columbia, in his statement "nothing works" . . . I think, when you're dealing with parliament, we all have to remember the old saying, and I'm sure you've heard it a hundred times: it doesn't work, but it's the best system we have.

The people in Nova Scotia respect their legislature a great deal. I'm not sure why. Perhaps it's because it was the first one that met in Canada — in 1758. But it's changed a lot since then. A hundred years ago we had one party in our legislature, and I don't know how they operated.

It was controlled by people that had some money, and they operated the province and they did just about the way they wanted so they could keep things running

properly for them. Most people lived in absolute poverty. There were just a few people; there were 38 members of our House 100 years ago. Those fellows mostly didn't do too badly, and their friends didn't do too badly either.

But I think it does change, and it has changed, and I think it's changing faster now than it did 20 years ago. I think that legislatures are driving, as he says, from the back of the bus. We can't suddenly change overnight, bringing in new systems, new thoughts, new ideas. We bring them in gradually, and it's always going to come gradually with a parliamentary system.

In our House, it's relatively small; we have 52 members. But you're dealing with 52 individuals, 52 different personalities, 52 different thoughts, and to get 52 people to try to agree to anything is quite difficult. So we drift along and we go through compromise and we do make changes. This year we've adopted several changes as a result of one of our committees that is quite active, the rules and procedures committee. They're making some changes this year, unanimously agreed to by all members of the House after the committee recommended them.

So I really think that things do change, things do get better. We certainly don't have the system we had 100 years ago where, unless you had all kinds of money, you couldn't be in politics. Money has nothing to do with getting elected any more. People from all walks of life are running and being elected. Our caucus represents everybody from a doctor to a fisherman — lumbermen, carpenters — we cover the whole public sector. Everybody is included in our caucus.

I think that's a change for the better, because there was a time that didn't happen. And when you have that great diversity of views among your legislators, it does help. And I think it works. Thank you.

Mr. Chairman: — Thank you, Mr. Archibald. Being that it is 3, I know that there are others that want to get in, and we'll do that. But the one thing we don't want to go overtime on is the coffee break. And seeing that it is now coffee-break time, I will adjourn us, and we'll return in 15 minutes, and we'll continue on this subject for a little while. And I have the Northwest Territories who will be the lead when we return.

Recessed

Mr. Chairman: — I think we will reassemble and begin so that we can get done by 4:30.

You'll find on your desk a sheet of paper that looks like this, and it has on it departures, and flights, room numbers, etc. We're not trying to pry into your personal affairs; we are simply trying to help you by asking you to put in the times of departure so that we can provide transportation and get you to the airport. So you will see where there is a blank or there are some corrections that need to be made, would you please do that and return it to Craig James here, and then we won't leave anybody behind and make you miss your airplane — although we'd like to have your business here for an extra day.

Okay. When we left off for coffee, Mr. McCallum from the Northwest Territories was wanting to get in on this discussion, so I will let him proceed.

Mr. McCallum: — Thank you, Mr. Chairman. I just want to comment on Graham's remarks. I guess there are a number of us who have been around for a while, Graham, as well, and we've gone through different things. Although I've only been with public accounts for three years, I was on the other side of government, as it were, for a couple of terms previous to that.

But I think that there were times when I would as well like to see us deal with some substantive issues when we meet like this. But there's a difficulty in that, I believe. I look around today, and I think I count maybe three or four people who were attending the same meeting a year ago in the Yukon. And as a result, because governments change, we go through a reinforming process for new people as they come into this particular committee to determine what is going on in other jurisdictions. So the situation, because of the make-up of this group, it gets difficult to grab any particular issue and try to determine or to come to some kind of grips with it.

I recall last year in the Yukon, we from the Territories gave a paper on what we considered to be a very important issue, and the issue was the use or abuse, or misuse, I should say, of special warrants by government. And it presented a problem to us in that our so-called government were using special warrants, not only just prior or immediately after, but in some instances, we found out, during the time when the House was sitting.

And what we did from that was to raise the issue amongst our own government, and we raised it with the Auditor General who does our auditing, and we have his group doing a report on it for us.

But that was an issue, if you like, that was important. And I think if I were to go back and read the papers, especially in Alberta, if I may say so, prior to the election, I think Alberta government was chastised by the press and by the now larger opposition party for the use of, I think, 22 million or $22 billion worth of — $22 million, I think — of special warrants when the time when there was no real need for it. So I think that there are a number of things that I would like to see that we do sit down and talk to that may reach or span a number of jurisdictions, and I just raise that as one issue.

I really would like to see us pick out some problems where we, who have had some experience with public accounts, may be able to go through and try to get to reach some decision on it. But again I find that that's a difficult situation to do because there are very few people sitting here who have been involved with the public accounts for a number of years. I recognize that there are some who have been within their own jurisdiction, but at this particular gathering — as I say, I look around and I maybe count three or four people from last year's session, never mind the years prior to that — the players change so much that it's difficult to grab it.

But I really believe that, though we in the Territories are fairly new to the process, I really believe what we are doing as a committee is an important aspect of

government. Now whether that's important to us and not to anybody else, that's all that really counts as far as I'm concerned. Because what I'm trying to do as an MLA and part of our particular committee is to ensure that our cabinet is more responsive to what goes on in the House, and is more accountable to the rest of the members of the legislature, and therefore responsible to the citizens it represents in its use of the money that we voted — never mind the use of special warrants by a government, when we don't get an opportunity to do it other than after the fact. But I guess it does become some kind of a problem in some jurisdictions where public accounts committees have not been either active, or because of the difficulties that they may have involved with the various parties within a particular province.

But I don't have any difficulty, Mr. Chairman, indicating at least on my behalf — and I'm sure I speak for my colleague, Mr. Richard — in suggesting that we do believe that we perform a particular required public service, in that we have an active public accounts committee that does its work and raises the issue and are able to bring to the attention of the government and have the government change their method of operation so that they're more accountable to us. It's not perfect because we haven't had that many years experience, but in the limited experience that we have, we have been able to make sure that our government becomes a little more accountable than were it to simply go on its own way.

I just want to make those comments in light of Mr. Lea's comments itself that nothing's working and it's not going to work. I don't believe that at all. Things will work if you make it work or you make an attempt to do it. I can't comment on the difficulties in his jurisdictions, and I can only comment on what I know and have a knowledge of in terms of my own. But I believe that ours is working, and I hopefully would expect that it would continue to work for better government within our jurisdiction. And that's the name of the game, as far as I'm concerned.

I would like to see other issues that are common to other places. But, again, we have members here who are just recently appointed as chairmen of their respective legislatures in public accounts, and of course this is the first time that maybe they've gotten their feet wet in the process, this whole process of public accounts committees.

You either come, as we have had in past get-togethers of this group, with predetermined issues — and I don't know whether this year there were very many of them; I know the call went out in plenty of time for people to get prepared for it — but, if it were possible, to bring those up and listen as people talk. I've just been appointed two days ago or three days ago or a month ago, and I haven't had an opportunity to get involved with it. If that's the case, how the hell are we going to get any kind of issue up to talk about in the first place?

So I guess we go reinforming new people as to what's going on in our own jurisdiction. That may not be enough to come together on; but if it isn't, then that's what we should be looking at ourselves. But I think it's the process of at least making everybody else knowledgeable of what goes on in our own jurisdiction, I believe, is worthwhile enough in order to come together to find out . . . at least to get some knowledge of what goes on in other places.

Mr. Martin: — As a secretary to the committee, I've been at it now for a little over five years. Whether the system works or not, we've heard different views expressed. The only additional comment that I'd like to add is that, in relation to preparation, I think it's a major factor whether the committee will work or not. You may have a lot of materials submitted to you, and I know you have other commitments, you know, because being politicians you have other obligations for your people in your ridings and all that, but I still think that a major factor of whether your public accounts committee will work or not depends on how much emphasis is placed by each member who is on the committee.

And furthermore, we do have all different tools to work with. Some do value-for-money auditing, others not. But we have to make the best with what we have to work with, and I think preparation is a very major factor.

Mr. Chairman: — Thank you. I'm looking at the agenda and I noted that today we have reports from Prince Edward Island, Manitoba, and Newfoundland yet to come. I don't think we'll get all three of those done. But Ontario is not here and will not have a report tomorrow, so we may just get backed up. I just wanted to point that out because the discussions are pretty involved, and we're covering a lot of ground here and taking some more time.

Mr. Lea, did you want to conclude?

Mr. Lea: — Well, one thing I always like to do is to get a discussion going. You know, just answering the Northwest Territories, as someone pointed out earlier, one of the blessings you have is that you don't have your parties operating. For instance, for those of us who do, I think probably all of us have stood up in the legislature and voted for something we're against and the other way around. And that's party politics and party discipline that comes to play.

Special warrants. We had a case in British Columbia where the government was actually spending money in the new year without the money being passed by the legislature. An incredible situation. That's what they took the king out in the bush for. But it wasn't the fact that the government did it, in my opinion, it was the fact that members weren't outraged that that was happening — not knowing their history to a great extent of why they should be outraged. The public wasn't outraged because they didn't know that there was anything out of order in that kind of behaviour by government.

And you know what we're talking about is checks and balances. How do you get those checks and balances in place? And one of the misapprehensions, I think, that government members have . . . Like to me the only check on government in the British parliamentary system is the honour of the members of whether they're actually going to vote their own conscience and whether they will take their own government to task if they need to — that they are not members of the government, they belong to the same party as the government. But so many of them

actually think that they are government members and so they go along.

So when I say that the system doesn't work, I think the system could work a lot better if the people who were coming into politics were people who were better informed about the history of our democratic system and how we arrived here in the first place.

So I guess we have to take a look at another institution, the one of education, and say, are they training us as citizens to be participants in the democratic system? And I, probably like many of you, even though I covered politics as a journalist for years before I got into politics, I found out that after all that experience of covering it, I knew nothing when I got in there. Now I know even less than when I went in the first place.

I just think that what we have to do is be members of parliament, members of legislatures, who are more prone to voting our own conscience and voting our own integrity as opposed to being the subject of party discipline and therefore stopping the system from working.

Mr. Katzman: — Mr. Chairman, if I may.

Mr. Chairman: — Well very briefly, Mr. Katzman.

Mr. Katzman: — Mr. Lea, I cannot resist coming back. My comment to you would be, you have three objects as an MLA — to vote; to sit on your seat; and to be absent from the Chamber; or, as well, voting for and agin. I can say that in 11 years I have never voted against my conscience.

The question: can you say that, and can other members? That's when you know if you did a job, because your fight should be in your caucus. In your case, you win all the fights. But your fight should be in your caucus to convince the other members that you're right. And in a big caucus like ours, it's difficult because it's basically the Chamber, because . . . (inaudible) . . . plus the members. The real fight goes on in the caucus. And only if you can stand and say I've never voted against my conscience . . . You might have missed a vote because you're not here or there on something. But I think otherwise I would say that you've got to look at that in your comments.

Mr. Chairman: — Okay, I'm going to stop on this one at this point and go on to the comments, even though Mr. Lea may want to respond. But I will call on Prince Edward Island, Mr. MacPherson, to initiate the next item.

Mr. MacPherson: — Thank you, Mr. Chairman. First I'd like to take a moment to introduce myself to you since this is the first time I've had the pleasure of meeting most of you.

I work as a tobacco farmer in the south-eastern part of Prince Edward Island. My district is relatively a small one, even by Maritime standards. There are 3,000 people in my constituency of Fourth Queens of Queens County. Mixed farming, including tobacco, potato, beef cattle, and dairy farming, as well as lobster fishing, are the major industries of my district. It is a rural community, and those I represent are good, hard-working, honest people, many of whom are direct descendants of the Selkirk settlers who came to Belfast in 1803 from Scotland.

Before I go into my thoughts on how I'd like to see our public accounts committee function, I have to share with you . . . Like the member from Alberta, I am two and one-half months old as an MLA, and three weeks old as a public accounts chairman. I have looked at some of the minutes of past public accounts in our province, and really what I'm about to say is just some of my thoughts on how I'd like to see our committee work.

As you are well aware, there are many obstacles facing the various committee on public accounts all over the country. There are great differences in the procedure and make-up of any committees on public accounts, just as there is a great variation in the provinces and their respective legislatures. The fact is that these problems, however, are rarely unique to a given legislature or committee. They are general problems which seem to rest in the system or at least in which way the system is handled.

Certainly the framework of the public accounts committee all work at a similar level of efficiency. Some do better than others, but there is more than room for improvement everywhere.

The role of any public accounts committee is to have a government properly account for its allocation and handling of finance and of public money. It is important to remember as well that part of the committee's watchful eye must be on the proper collection of revenue as well as allocation. A public accounts committee must investigate both sides of government's handling of revenue.

Since the purpose of a public accounts committee is essentially to act as liaison between the legislature and the public sector, clearly a close working relationship and understanding is necessary between the auditor and the members of the committee. Probably one of the problems built into the system is that most of the time the committee itself is disjointed, or should we say split along party lines, with the party in power attempting to dominate the other parties. In this way a great deal of time is wasted in insignificant squabbles about policy matter or how government money has been spent. All these interludes have no bearing on the original purpose of the committee, which is to ensure that public funding has been spent where it was supposed to have been spent and has been done in an effective and efficient manner.

To my mind, this raises a question. Is political leaning and partisan behaviour in a committee a weakness in the system, or is it in the way in which the system is needlessly mishandled? Personally, I think it is the latter. It makes perfect sense to me that members of a standing committee on public accounts be equitably distributed along party lines. It is the very nature of a public accounts committee to be duly and variously represented. That is what gives it the ability to accomplish its objective.

But partiality is not the only obstacle facing the effective operation of the various committees in public accounts. The permanent fixture of public accountants in the auditor's office should work as much as possible in

harmony with the elected representatives. Too often, and I think it's the case in Prince Edward Island, there is poor communication between these groups, which results in confusion, inefficiency, and really stagnation.

If political leaning is an important factor on the legislative side of government accounts network, then I think the approach of the auditor himself and the content of his report to the committee has a great bearing on the proper function of the committee. A poorly presented, poorly organized report, one which emphasizes minor points and avoids the important problems, will preclude any effective response from the committee.

This may require — and I'd like everybody to listen to this one — that the auditor explain certain parts of his report in a layman's terminology, being as there are so many MLAs from different walks of life. But the committee members may help or hinder the process.

As well, too frequently, committees are poorly guided and directed. For one thing, the committee on public accounts is an important one. The accountability of public finance is a very significant matter. It requires time to study and act. Many committees do not meet frequently enough to properly analyse the accounts put forth by the auditor. Under these circumstances the committee on public accounts is simply not doing its job. It has no insight into accounts, no conclusions, and no report, or it has a scattered, inadequate report to make to the Legislative Assembly.

A properly directed committee on public accounts needs planning. It needs to work long enough to study and grapple with the auditor's report. It is a serious business, demanding the full attention of committee members. Planning means close communication among the members, and it is not an easy task for the chairman. Meetings should be frequent and well organized. Then hopefully, with a worthwhile report, you can ultimately get at the bugs in the handling of government moneys. Hopefully you can find the right answers and offer the legislature a comprehensive, responsible report.

There are other questions for which a policy should be ironed out for all committees. For example, when should a public accounts committee have access to the auditor's report — only once it has been tabled in the legislature? Since the work of such a committee, if its mandate is properly carried out, can be so time consuming, I feel it would be probably best to have the reports from the public accounts committee and the auditor available to the committee as soon as they are completed.

With all these marvellous thoughts on how things should work, I must not pretend to come from a province with a perfectly oiled public accounts committee. Not long ago the committee in Prince Edward Island failed to meet for several years, presumably because the government of the time had failed to make the appropriate reports available to the Assembly.

Another current question in the affairs of the public accounts committee is whether or not ministers should be called as witnesses to the committee. In order to ensure the proper questions are dealt with, it is imperative that each person most familiar with the information in question should be called as witness.

Since ministers are first and foremost involved in policy formulation, as opposed to the correct distribution of resources, most of the times I feel ministers should not be called as witnesses. Only when a policy decision made by a minister has a direct impact on how the spending is carried out should a minister be called upon to come before a committee.

In the majority of cases the deputy minister in our province is the individual most knowledgeable in the areas concerning the proper allocation and execution of departmental revenues.

I have one more important point to put before you today, that is the role of the chairman. Certainly this role is given various degrees of attention throughout the country. Whether the chairman is the member of the opposition or not, I believe that he or she has a definite and meaningful role to play in the success of the committee.

I see the chairman's role as twofold. During the meetings the chairman acts as mediator and controller of the committee procedure. He is a tool of even-handed treatment, much like the Speaker should be in a legislature. Furthermore, the chairman should control the direction of meetings, ensure that members stick to the business at hand and do not talk about policy matters or needlessly harass witnesses.

Aside from this task as mediator, the chairman should carry an active voice in the undertakings of the committee. In this way, he or she acts as any other member which I have just described as the role of chairman while the committee is in session.

While the committee is not in session, I think the chairman should act as the planning catalyst. He must take the initiative to organize the meetings, setting out an active, comprehensive agenda for the members to follow. If the chairman avoids this responsibility, then the committee is bound to flounder and fail to achieve its goal.

I have touched on a few points, and although this may not be the first time you have heard these ideas mentioned, I think it is important that all of us have a clear conception as to the role of a public accounts committee. Having not had an official meeting of our public accounts committee other than to select a chairman, I am looking very much forward to being chairman of our public accounts committee. And as chairman, I plan to act as impartial as I possibly can. And I really enjoyed this opportunity of presenting my thoughts on the public accounts committee. Thank you.

Mr. Chairman: — Thank you, Mr. MacPherson. Does anyone have any questions or comments?

Mr. McLachlan: — I'd like to ask Mr. MacPherson how many members of the 32? How many of your 32 elected members sit on the public accounts committee?

Mr. MacPherson: — We have six members — two

opposition members and four government members.

A Member: — Opposition chairs?

Mr. MacPherson: — No, government chairs, on the government side of the House.

Mr. Chairman: — Any other question?

Mr. Katzman: — Well, he touched on something in his comment of what the chairman should be that to me is intriguing. I have been a slight believer, and more during the last three years of public accounts than prior, and I don't know if it's because of being in opposition or in government, but if your chairman can do as you indicate, almost act like a Deputy Speaker and try to make sure you follow the lines you indicated, I will compliment you. If your chairman becomes the lead prosecutioner, as ours has been in history and has slowly got away from it the last year, I compliment you again.

But if you go back to our old style where you are the lead and looking for the points, but because you are the government side, it will be easier is the assumption of the general public before you can be a chairman. But in that happening, you might lose the driving force that you need within the committee, because I think your chairman and your vice-chairman are the key if your committee really becomes good or bad, because as Newfoundland have indicated, will do a lot of negotiating behind the scenes to see who they will call, when they will call, and so forth.

And my advice to you is very simple: your chairman from the government side, it would be easy to sit neutral. Have you got the internal fortitude to go back home and recommend the opposition be the chairman, and yet the rules be made so that the opposition has to act like a chairman and not a partisan side?

It's a terrible thing to say, but I've lived under both sides, and I believe the chairman should come from the opposition, and I believe that he must. And if he isn't prepared to be a neutral chairman, then I would say the next best is a chairman from the government side who is really a deputy speaker, to make sure the rules and things are followed and let everybody do their thing.

So what I am saying is, if you can go from the opposition and be neutral, fair game. If you believe your system can never work as a neutrality, as B.C. says, then — fair game — make the chairman basically a deputy speaker and make sure everybody stays within the rules. That's my only comments.

Mr. MacPherson: — The only comment I'd like to make there is: it has been discussed in our Assembly in the past week to have the opposition act as chairman, and it's going to be looked at in the coming year. I have confidence that I can act very impartially as chairman.

Mr. Lea: — You mentioned during your presentation that for a number of years government didn't make the documents necessary available so the public accounts could sit. How many years did that go on?

Mr. MacPherson: — It wasn't necessarily that they didn't make the documents available, but I don't think they had an organized public accounts committee to examine the documents.

Mr. Chairman: — May I as chairman ask a question. Is that because they chose not to, or was there no structure for one?

Mr. MacPherson: — I think it was perhaps because they chose not to, as I understand it, the research I've done on it.

Mr. Katzman: — Are you suggesting what they used is, the chairman from the government side not call the meeting and therefore nothing happened?

Mr. MacPherson: — Well there was a number of years that the committee did not meet at all.

Mr. Katzman: — Because the chairman didn't call it; that was the way they played the game?

Mr. MacPherson: — I don't even know for sure whether there was a committee established at that time.

Mr. Lea: — Well how it's done in British Columbia — at the beginning of the session the premier will move a motion naming a selection committee. And how it's done in our jurisdiction — that that selection committee is chaired by government, and that selection committee will not meet, not meet, not meet. So as you get nearer to the end of the session, they will meet. This year we had time, I think, for four public accounts meetings before the session ended. But they could even string it out longer, and that's probably what they did.

Mr. MacPherson: — Even in the years — like I looked at last year's minutes — that we have met, very brief meetings.

Mr. Katzman: — Just to add to that comment. We, because of Mr. Andrew's changes — he sat as chairman; now he's not there — but as the minister responsible is Finance, he brought in recommendation changes. Our committees now sit for four years. The nominating committee is appointed right after the election. Everybody is then appointed to those committees for the life of that parliament. When they are thereby declared elected, you can't play that game because they're going to meet sooner or later.

The key advantage on that one — and we have found on our committee the last two years — all our members in public accounts are knowledgeable after the second year, unless you have the odd change as we had with Mr. Tchorzewski. But they all get very, very actively involved. And Mr. Tchorzewski would have been the same case; if he had been there a year or so, he would have been more actively involved.

What happens is, because of the four years, the members have time to dig in and do the research necessary on individual items. With me, I had nine years to develop the pension issue, and therefore the House and everything dealt with pension. But that's the advantage of a four-year appointive committee. And you occasionally change one

person or two because of something happening, but you do a motion in the House to do it.

That's something that, I gather, we got from Britain or somewhere when Bob did his study, but it has really made all committees work better because you're not every year explaining the rules to new members constantly.

Mr. Chairman: — Thank you. I'm going to, at this point in time, ask Manitoba, Mr. Blake, to make his presentation. I think, by looking at the clock, that may be the last one today, and I apologize to Newfoundland. But we seem to have bought a little extra time tomorrow.

Mr. Blake: — Thank you, Mr. Chairman. I don't have a presentation either. I had talked to your clerk some time previously because, with the pending election that took place in March, I was hoping that there would be someone else chairing the public accounts committee, but that didn't transpire. So when they were naming the committees, naturally, liking the odd trip to Prince Edward Island and Whitehorse and Regina and other places, I positioned myself so that I became chairman of the public accounts committee again, having some experience over the years.

Our public accounts committee is not treated — I hesitate to use the word — as "seriously" as it is in other jurisdictions, listening to some of the presentations. Our public accounts committee is formed of X number of members who can be interchanged. If they can't sit when the committee is sitting, the whip gets up and announces to the House or to the Speaker or the Table officers that Mr. Blake will be replacing Mr. Jones, and Mrs. Smith will be replacing some other member.

When the auditor's report comes down in usually the fall — there are many changes that could be made; I haven't been able to move anyone on them yet — but when that report comes down in the fall, that's when the committee should sit. We don't sit in this case till we reviewed it in about June. It's six, eight months older than it should be and we're reviewing the previous year's expenditures. But when the Finance minister and the auditor and the deputy Finance minister are available, that's when the Finance minister asks the chairman to call the public accounts committee.

In this particular year, the committees weren't struck till something over a month or so ago. Not knowing who was going to be chairman, that was sort of in limbo. When we set the committee up — the deputy minister was back from a tour of Tokyo or some such place, when he borrowed another billion dollars in yen — we called the committee.

The auditor comes before the committee at the first meeting and we deal with the auditor's report. The recommendations or any observations that the auditor has made, he is duly questioned on that by members of the opposition, and he gives us his explanation. Something was noted that there was an infraction or something just wasn't quite kosher in the report. He explains that he has gone to the department and to the minister and discussed this, and he has been assured that this is now in order.

Now if that isn't followed up when we get that minister's estimates before the House, that is where our examination takes place, when we examine estimates. We have unlimited hours, which we're thinking of curtailing to some degree because some of them go on for weeks. It becomes a bit of an exercise because you ask the minister a question, and naturally they don't know all the answers so they go to their staff and huddle for five minutes, and many of the ministers will come back and give you a 20-minute philosophical answer that doesn't really answer the question. So you can see the hours roll by on a report such as this.

Health was a good example. We had our former minister of Health, the critic to the new Minister of Health, who was a former minister of Health. It became commonly referred to in the legislature as "The Bud and Larry Show," because Bud would tell Larry what he had done when he was minister and what a great job he had done; and Larry would agree with him and say, but he was going to do a better job, and how great he was doing. That took over a month before we got finished the estimates on Health. Education is not much better. We haven't got to them yet. So if I say we're going to be sitting till September, I won't be far wrong.

But there's a great deal of those questions, I think, could be answered in the public accounts committee. But when we finish with one session — that's from 10 till 12:30 — we accept the auditor's report; that's over with. Then we have the two blue books, as we call them, the expenditures and the supplementary book. One of them lists all salaries of employees paid over $25,000. It used to be five, but that became kind of ridiculous because there's no civil servants now making less than 25,000. I should tell some of the secretaries that but . . . That book get a pretty fast shuffle.

So then we go into the main spending booklet, and as you have mentioned, with new members coming on the committee, they go through this great thick book of where everything's listed, and they'll maybe see the Royal Bank's been paid $100 million. So right away they get all excited. I mean, what's the government giving the Royal Bank $100 million for? But they're the main banker for the province, and they're merely handling a borrowing transaction that the government has carried out in Germany or somewhere else. They're just a functionary on it.

So when we explain to the new members that you don't ask these questions, you maybe find out why they paid the Camperville Taxi $67,000 or something like that — something a little more meaningful or something you might be a little more interested in.

So that takes about one more session, and then we accept those reports, and our work as public accounts committee is now finished with in Manitoba. It took two meetings of two and one-half hours and our work is finished for the year. So really I'm here under false pretences, getting a free trip to Regina.

We don't have a deputy chairman on the committee. We

have a clerk that is just seconded to us out of the clerk's office and is becoming fairly interested in the work of the public accounts committee. And I think, with some of the changes that I've suggested, I think maybe we can move the minister now into maybe letting that committee become a little more meaningful in examining more of the expenditures that could be done in maybe more detail.

Special warrants were mentioned here. That is covered to some degree, but not thoroughly enough, I don't think. We've got two or three conflict of interest situations going. I think public accounts could have maybe handled some of those rather than let them get into the political forum where maybe it's not the best place to air them.

So the work of our committee, there's really not that much there that you could get your teeth into and make a presentation to a committee like this on what we've really done because it's pretty superficial. But in the House, on the examination of estimates, that's where everybody digs in, and each member will have something that's a little parochial or of special interest to him. Surface rights committee, for example, under municipal affairs, it got a pretty good rattle in the estimates that we just concluded before I left.

So that is where our examination is done, in the House or in committee. The government has the first choice in the Legislative Chamber, and we have the choice on which one goes into committee. And committee, of course, is a little more intimate; there's a little more rapport back and forth across the table than there is in the Chamber where it's a little more formal. That's where a thorough examination of the estimates is done, and an awful lot of it, as I say, could be done in the public accounts committee, but we just haven't been structured or don't function that way.

Whether we can get that changed . . . Maybe by next year I'll have a whole new report for you, Mr. Chairman, when we meet again. But that's the way it sits in Manitoba.

Mr. Chairman: — Thank you, Mr. Blake.

Mr. Baker: — Thank you, Mr. Chairman. I've got some questions. I've got sort of a mind-set, simply because I am a relatively new member, just to go over public accounts and so on, and I can't quite follow some of the mechanisms that you were referring to.

Your public accounts committee, you made a connection there between them and the estimates. Would you comment further? Like how does the public accounts committee operate in conjunction with estimates? Could you explain that?

Mr. Blake: — Yes, it doesn't really operate in conjunction with them. All of the members are free to sit in on the estimate review. So any questions that you maybe could have asked in public accounts, you can go after the minister in the estimates of his department. We're all free to sit in on any of the estimate examination.

Mr. Baker: — Yes. The public accounts committee is dealing with the previous year's expenditures that have already been dealt with by the Auditor General. Okay? And then the estimates committee are on the current year's estimates, and you kind of run them together. Is that right?

Mr. Blake: — Yes, we can back it up and get the answers to the questions that we feel the minister should be answering to in the legislature. The main purpose is this year's expenditures, but we cover probably as much of last year's, the ones that would be covered in the public account year.

Mr. Baker: — So during your estimates committee meeting, you can go back and talk about decisions made in the past and expenditures in the past as it relates to the Auditor General's report and so on. You do that in your estimates committees?

Mr. Blake: — Yes. Basically what you're doing there is scoring political points. It becomes very, very partisan. The minster might be a new minister, and he can say, well I can't answer for that because I wasn't the minister at that time. But in the meantime you've got everything you wanted to roll out on the record, and you run it home to the local people or to the press, and that's really all you were trying to do anyway.

Mr. Lea: — Yes, I think I've heard a pretty good description of how it works. You know, what I notice here today is that the new members who have yet to chair their committees feel one way about public accounts. They hope it works. The government members who speak say it does work; and the opposition members say it doesn't.

Mr. Chairman: — Go ahead. Do you want to respond, Manitoba?

Mr. Blake: — Not really on that. One point that I wanted to make. Each legislature, I'm sure, has different terms. We have what we call interim supply, and of course the government uses special warrants that has just been atrociously abused in Manitoba over the years. Interim supply is when the minister of Finance . . . There's a time set aside in the legislature to discuss this and pass the funds that they have to work with.

In our interim supply Bill this year, we had two amounts there. It was about a billion dollars really, but there was two amounts in there. We had $5 million in there for small-business assistance, and 5 million was in there for farmstart. Now these were two election promises that the premier had used in his promise-a-day campaign. And so we questioned these two items of $10 million: where is the criteria on the small-business assistance fund and on the farmstart?

Well there was no criteria. There was nothing put together whatsoever on this. So we said, well obviously you don't need the money yet because you have no criteria; nobody knows how to apply, or who can apply, who's going to qualify; so we can't really approve that. So with the discussion, once it got fairly heated, we said, okay, you know, we got 26 members; we'll sit here for a month if you want; we want a detailed explanation of what all this is for.

There was 67 million for the Manitoba telephone system. So the minister was questioned on that, and he said, I don't have it at my fingertips but I'll get it for you. So very shortly he came in with a great detailed explanation of what the money was going to be used for, which was fine, of what we were after.

And we said, well if he can do that, why can't you do it for your 5 million, Mr. Minister of Small Business, or Mr. Minister of Agriculture? And finally the Finance minister could see what was going to happen, so he pulled the $10 million, pulled it out. I don't think it's ever happened before. He said, well obviously you don't need the money because you don't have your program ready. So if you have it ready next year, we'll put it back in.

So that was one that the opposition felt pretty cocky about, but really it wasn't too much of a thing. But it makes you feel good when you win one, you know, when you're in opposition.

A Member: — It's so seldom.

Mr. Blake: — It's so seldom — that's right.

Mr. Chairman: — I know the feeling.

Mr. Katzman: — I was just going to comment. Manitoba just made the comment about two meetings, and basically they were done. I don't want to scare any of you, and I'm going by memory, but our committee starts at 7:30 in the morning, up until this year, and finishes at 11 in the morning, and we average between 22 and 25 meetings a year. So we do get pretty far into things — two and a half hours, meet two days a week, normally. This year we ran into a bit of a snag, but up until this year it's always been two days a week.

It's surprising how much you got done during those meetings and during those hours, because you weren't rushing out to phone back constituents or concerns to a minister or an office, because you had time left in the day. We used to be 9 o'clock till noon, and everybody had to slip away to make phone calls. We went to 7:30 in the morning and, of course, you can't find a minister or the department office till 9, so you're not going to be on the phone that first hour and a half. So it was just the next hour or so that you had problems.

I make a suggestion to some of you that are new. As members, you're going to want to service your constituents. If the House is sitting simultaneous to the committee sitting, you're going to have a very poor attendance and a poor involvement. But if you're crazy enough to do like we did — and I guess maybe it's because we're farmers and we're used to getting up early in the morning — it worked. Because there was no minister you could get a hold of, no bureaucrat you could get a hold of, so you had time to go to the meeting and get the thing done. I make that as a suggestion.

I was disappointed to hear that you people had two or three meetings and that's it. We, other than this year, have always been around the 20-plus. The lowest we ever were was 14 or 15, and that was because an election was called one year before we finished.

Mr. Blake: — I might have missed it, Mr. Chairman. The chairman of the committee gets 15,000 a year extra or just 12,500?

Mr. Katzman: — The chairman of our committee, I think, gets $1,900.

Mr. Chairman: — I want to serve notice to Mr. Katzman that, as a new chairman, I intend to reform the starting hours.

Ms. Nicholson: — I'm going to attempt the mere impossible, I think. Having listened to people who say that essentially the public accounts committees don't work, I'm going to try and list the ingredients that make them work.

First, I do think that the tradition which came from Westminster, of having an opposition member chair the committee, is a useful one. It does give a certain degree of independence to the committee, to start with.

But secondly, to make that work, you have to have government members who believe that the process is worth something and are willing to co-operate and to find ways of making it work.

Thirdly, I think there has to be a very clear mandate for the public accounts committee so the You know, at the present time in Ottawa all committees now have new powers. But in times past the public accounts committee still had a permanent reference from the House of Commons of both the Auditor General's report and the *Public Accounts* of Canada, which meant that at any time in the year the public accounts committee could decide to launch an inquiry without going back to the House of Commons for permission.

I think that kind of mandated framework is important, and then what's also important is to have both members and committee staff be the kind of people who have both the energy and the creativity to use whatever framework you've got to the maximum.

Now there are other things, but I would regard those as some of the essential ingredients of making a public accounts committee work, and I would be interested to hear from experienced people what they would think of those requirements.

Mr. Webster: — Perhaps from an inexperienced member first. I would think possibly one of those criteria determining what would make a public accounts committee work is a proper follow-up. That's one thing I haven't heard today in any of the reports.

For example, Manitoba just said that they meet maybe a few hours, two meetings a year. But how long, for example, is your report debated in the legislature?

I'm curious, too, about Saskatchewan's, and later on in the year, when it's been debated, if you call back departments to see if they are acting on the recommendations of the committee.

Mr. Blake: — Our report is never debated in the legislature.

Mr. Katzman: — In Saskatchewan we have had several major debates in the House when we've brought our report in, some that have taken basically the whole day. We've had odd parts of our debates come right into the House that afternoon and go at it during question period.

But the second part that we do, and I don't know if anybody else does — and Mr. Kraus is sitting in the back row, from the comptroller's office — when the auditor points out something, we will turn to the comptroller's office and say, okay, is there a new system in place to look after this problem? And that's the comptroller's job at our meetings, to say yes or no.

And he will say yes, or we're working on it. If it's we are working on it, then in the next year's report it will show up again if it has not been cured. So our auditor and our comptroller make sure it's back in the report the following year if it is not cured. If it's not there, that means it has been cured.

In many a case, Mr. Kraus, the comptroller, can inform us, yes, the auditor and us have agreed this new system will work, and therefore the committee will say, okay, there's no sense arguing over this issue if it's now been cured. And now we go back to the pension plan I told you about earlier. It ended up coming to the House in a vote of the Legislative Assembly to force somebody to do something because they wouldn't listen to the committee. That hasn't happened often. But that's your answer.

What was the second question?

Mr. Webster: — Basically that's dealing with the follow-up, how you reintroduce something, an issue or recommendation that's still outstanding. And I can see you do it through your next year's report. You bring it to the House for debate, and out of that debate may come such action.

Mr. Katzman: — We have had action from the House; we have had action from the committee, and . . . I think we get it both ways, would be the best way. But the follow-up usually comes the next year to make sure. And if it comes up in the second year . . .

The only one that has ever not been looked after came right to the Chamber, and the House said, that's it, you get it done. And to tell you what happened, two weeks later the whole new system was in place. That's all it took them when the House finally got mad and said, that's it, either you do it or we'll do it for you.

Mr. Lea: — Yes, I think Ms. Nicholson has very ably outlined the ingredients that will make it work. I completely agree. But if any one of those falls down, it won't work. Cabinet has to want the process to work. If cabinet doesn't, it won't work. If the individual members want the process to work, that is the individual members of the committee want it to work, it will work. But if they don't want it to, it won't.

But it really boils down to government and cabinet. If cabinet doesn't want it to work, it won't work. If there's no respect for the process, it won't work. And obviously in Ottawa both the major parties must want it to work, must want the process to work. But I think this morning Mr. Andrew was saying that it's probably something to do with the size of the House too. But my experience is that, regardless of who is in government in British Columbia, the cabinet doesn't not want it to work.

Mr. Blake: — I should say to Ms. Nicholson that I'm a very creative person and I would like to see the committee work a lot better than it does. But just to follow up what Mr. Lea says, that's exactly the point. The government doesn't want any flak, and it has become a confrontationist type of operation. And the quicker they can get this meeting over with and get the committee out of the way, the better.

So you're right. Unless they're willing to change the procedure that has been followed for so long in our legislature, we're not going to accomplish too much. Prince Edward Island has said . . . Obviously the government didn't want anybody poking around their estimates, so they didn't call the committee in. That's what you call complete control, but that's the nub of it. If someone wants to change that system and make it work a little more effectively and a little more efficiently, there has to be the will there on the cabinet side to make it work.

Mr. McLachlan: — I would like to ask Mr. Blake — you have said that your report is very seldom debated in the legislature. If that is so, do you, as a committee, make recommendations that you would ask government, as it were, to act upon and follow those recommendations up if done; or do you just walk away at the end of the session with all your concerns satisfied by a verbal discussion?

Mr. Blake: — That's virtually true because the Finance minister is the main witness, so to speak, at the meeting and the government has the majority on the committee, so you would never get anything like that passed. The only possibility would be if something showed up that interested the media, got them digging a little bit further. You may accomplish something that way. But to bring anything to a vote of the committee, the government has a majority, and they're not going to let it get out or let it get into the legislature.

So the committee reports are passed; the auditor's report is passed; the *Public Accounts* books are passed. And we walk into the legislature to say that the committee has met and has concluded its work, and we recommend that the report of the committee be received, and it's passed.

Mr. McLachlan: — May I then ask further: that if the committee wishes something be done which the Finance minister does not agree with, it stops there. You have no power to force the Finance minister to accept the wishes of the committee then?

Mr. Blake: — That's right — in the committee. But the minister's estimates have to come before the House and that's where you go after him full bore.

A Member: — But with no power.

Mr. Blake: — That's right. When it comes to a vote, they vote you down anyway. You may get it out in the open and get the press to pick it up, and that's your best weapon.

Mr. Lea: — Yes, in B.C. the chairman's report or the committee report never gets to the legislature. It's never debated in the legislature. For instance, in this last session we had a meeting scheduled for the Thursday and the House adjourned on the Wednesday, and that happens that way every year. And so it never gets into the House.

A Member: — It's called good timing.

Mr. Lea: — Yes, it's called good timing.

Mr. McCallum: — Just a question, Mr. Chairman. Just a question of Mr. Lea and Mr. Blake. In your public accounts committees, are they not public? Do you not hold them public? When you want to meet as a committee, you know, do you meet secretly amongst your group; are they not open to the public?

Mr. Blake: — Yes, we meet in the committee room that the public can walk into. There's no guards on the door, but God help them if they wanted to say anything. So members of the legislature that aren't on the committee can sit in and ask questions. They can't vote, of course, but very seldom do we have that. If there's some specific area that a member has done his homework and gone through the books and picked them out, information like that is made available to him and very often not used.

One of our members this year who hasn't sat on the committee got going through the large expenditure book, as I mentioned, and looked at all the money that had been spent for various hotels and taxis and things of this nature. So she asked the Finance minister for a list of all of the moneys that had been paid out to hotels and all the moneys that had been paid out to taxis. Well, God, that would have been a massive job for somebody to undertake to gather all that information.

So the auditor suggested the way they do it is do some sampling and he said, would it be satisfactory to the member if we did a sampling, because these could be civil servants that are out on government business staying at hotels across the province or whatever. And she agreed, with our urging of course, that that would be the way to go. So he was going to do some sampling for her. He takes a random sampling of hotels and a random sampling of payments to taxi companies and gets a little more detail, and that would satisfy her. And really that was the way to go because it would have been a massive job to try and provide her the information that she asked for.

Mr. Chairman: — The buses are waiting, but I'll allow two more. This is interesting.

Mr. Lea: — In answer to your question: yes, ours are public. The public could come. I don't recall ever seeing anyone from the public in there. The press is allowed in. Cameras are allowed in. If they know it's going to be scandal, they'll come; if they know it's going to be meaningful debate, they won't. So what else is new?

We don't have cabinet ministers appear in front of our committee. Most of the members are cabinet ministers. If you were to make a motion to bring a cabinet minister, they would just block that immediately. If you were to get into anything of substance, there's a motion from one of the government members, it's seconded, the vote is taken, and nothing ever comes in front of the committee. That's true.

Ms. Nicholson: — Thank you. Just on follow-up. I thought that members who find themselves in an easier situation than the B.C. one just might be interested in a few of the things that we do at the federal level about follow-up. The most common one is that in our report we say that we expect the department to take remedial action by a certain date and to report back to us. Sometimes if it's a complex issue, we combine that with a requirement that they report to the Auditor General on what corrective measures they've taken, and they ask the Auditor General to assess the efficacy of the corrective measures and report back to us. And again we give a fixed date for both of those.

There are two new possibilities under the new rules of the House of Commons which I would also commend to you. One is that any committee can ask for a substantive government response to recommendations, and there's a fixed period in which this has to be given. I believe it's 120 days. That can be used selectively.

The other thing that also is a change to the rules, in times past when a committee chairman tabled a report, one could only stand up and announce that one was tabling a report. Under a new rule, one can make a brief statement explaining the report. We have used this a couple of times, and we have found that it attracts a lot of media attention, and it also attracts departmental attention. If one is criticizing officials, they really hustle to get things right after one has stood up in the House and said what was wrong.

Finally, one last comment. Somebody said that perhaps the size of the House in Ottawa made certain things possible because there are more members. That may be. I think the size of the budget is a factor too, because the federal budget is so large and ministers can't have eyes and ears everywhere, that I think ministers, no matter what their political stripe, are glad to have an active watch-dog committee of members doing some of the work for them.

Mr. Chairman: — Thank you. That's a good note on which to conclude today the business of our program. The discussions I think have been very good.

Just a few reminders before we adjourn. One, we'll start tomorrow morning with a report from Newfoundland, and then we'll continue from there. Also a reminder that Mr. Jack Klein is seated back here. He's got his hand up. And for those of you who wish to go golfing on Wednesday afternoon, please see him tonight before you leave for the bus. He has to know so he can make the arrangements with the golf club.

Tonight's occasion is a western evening at a place called Sherwood Forest. It's about 5 miles out of the city. It's a joint dinner between our group and the legislative auditors. The dress is casual. If you've got a pair of blue jeans that you remembered to bring, that's what you should wear. It's a casual affair. Bring along a sweater or a jacket because it could get cooler in the evening. We've had several days of rain here which tends to bring the evening temperature down.

The buses will be departing from the Hotel Saskatchewan at 6 p.m. sharp, so between now and then, make your arrangements. Somebody told me they were going out to buy a pair of cowboy boots. That's quite all right. And we will see you at the dinner, and then we'll see you again tomorrow morning. Any questions?

A Member: — Do we leave our stuff here?

Mr. Chairman: — Yes, you may leave your stuff here and everything will be locked up. Thank you.

The conference adjourned.

Mr. Chairman: — I trust you all have been rested after last night and are ready to get into the business of the day. Looking ahead to this afternoon, I want to make one comment and maybe we can be prepared for it a little better if we think about it now.

In the afternoon session we have an item on the agenda called the "expectation gap between legislative auditors and public accounts committees." That's item 2. Probably, it seems to me, it would be worth while if we could designate someone who might lead the commentary on that agenda item when we meet this afternoon. Certainly all of us should give some thought to any comments we might want to make at that time. But do I have anybody who is ready and might be interested in leading the discussion for us at that time, somebody who's got a particular interest in this? I know that is a difficult question to ask.

I'll leave it at that and ask you to think about it, and then maybe late morning we'll raise it again, just so that when we get to it we can have somebody who will lead, and I'm sure everybody else will fill in.

Another reminder, this sheet that we passed around yesterday about your flight departures, if you have not filled out and handed them in yet, please do so, so that we can arrange transportation for you when you leave. We've had some of them come in now, but there may be some who have forgotten.

Okay. Yesterday when we left off, we had put Newfoundland down to today in the place of Ontario who was not here, and we will therefore begin with that agenda item at this time. So I will ask our representative from Newfoundland to lead off the discussion.

Mr. Baker: — Thank you, Mr. Chairman. All of you were given yesterday these few pages that we put together for this occasion. The topic, I suppose, generally concerns limits, and limits from the point of view of the Auditor General, and limits from the point of view of a public accounts committee.

For instance, if I were a rather devious premier of a province, when I bring in the estimates, I suppose I could stretch a point and say, all right, I'm going to bring in estimates and simply have sums of money allocated to departments. And I'll give the Department of Municipal Affairs $175 million, and the Department of Health $450 million, and so on, and go through the House that way.

Or I suppose, if I were pushed a little further, I could break the amounts down a bit and say that with regards to, let's say, Department of Education, that I'll bring in a sum of money, I'll put forward a sum of money, and give $100 million to school construction, another $200 million or $300 million to personnel, school personnel, and so on. And we could keep going and, I suppose, through pressure keep breaking things down finer and finer. As to exactly how much information is given in the estimates, I suppose, is a matter of discretion.

Now obviously no premier would, no government would simply bring in sums of money for each department and that's it. You'd never get away with it. But how far is a government obliged to break down these amounts? To what extent can a government allocate lump sums of money without specifically designating where that money is to go?

It's something that has been of interest to me. Obviously it's of interest to auditors, from a number of points of view. So I chose one investigation, one paragraph, from the Auditor General's report that was connected with this and will point out a number of things that we've been discussing so far. And I only intend really to go through the first three pages of this particular document; the rest is simply for your information and to read and have a look at.

The Auditor General, from his point of view, he has to . . . I suggested that, you know, his function might be able to be broken down to two areas — the attest function, which is the normal one, where he assures that moneys are spent, and spent properly, and so on. But what I'm concerned about here is the idea of compliance with authority. The auditor also has to determine, first of all, which expenditures were authorized by a legislature, and then whether the expenditures that were made were indeed these expenditures that were authorized.

Now I go back to what I said at the beginning. If, in fact, an allocation of money is made to the Department of Municipal Affairs, let's say, is it simply enough that the auditor checks to see if the money is spent properly and he follows everything through, the normal process, the normal auditing functions, and is it then simply enough for him to say, yes, because that money was allocated to Municipal Affairs, then there is proper legislative authorization?

This is a political problem as well as a problem for the auditor. As a minister, for instance, I would perhaps love to have money allocated to me in a lump sum format so that then, once it receives legislative approval, that I can then go and direct, after the fact, specifically where that money is to be spent, without going through the legislature — love to do that.

From the auditor's point of view, you know, as I say, is it satisfactory that he can look at the estimates and say, oh yes, there's a certain amount of money that's allocated, in this case for road construction, and that because this money was spent on roads, that then that is the legislative authorization?

In Newfoundland there have been some problems with this lump sum allocation in the estimates. In this particular case here, there was an amount of money that was allocated for roads, okay, and the Auditor General maintains in his report, paragraph, that really, in order to attest or in order to determine compliance with authority, that he would have to know where that money was designated to be spent, what projects this money was designated to be spent on.

The whole thing is coloured by the fact that, of course, politics usually creeps in here. And the Minister of Transportation, on television one night, in a television

interview, pointed out that it was normal to give more money to your friends than your enemies, and that it's normal procedure that government members receive more money for their districts than opposition members — that was quite normal, quite acceptable.

As a matter of fact, in this particular roads allocation that we're talking about here, it says 25 million. There were 34 districts, provincial districts, that received money; 33 of them happened to be districts represented by government members and only one by an opposition member. And I don't know how that one sneaked by at all — probably he made a mistake some day. But anyway, this is a common kind of happening, I suppose, all over.

In Municipal Affairs, it happens quite often too, in terms of allocating money to municipalities. And the way it's done in Newfoundland — roads money, water and sewer money, and so on — that this money is obviously designated politically. And every now and then, to show it's not designated politically, a minister will make announcements about this bit of money spent in an opposition district and make a big fuss about it, and then go ahead and allocate money for 25 government districts without saying a word about it kind of thing — but anyway, the allocation of a lump sum of money for road-work without specifying where it is to go.

Now the Auditor General's position — and I've attached to this document exactly what his report said — is that he needed to know the projects the money was intended for before he could determine compliance with authority. And the position of the government, obviously, was in essence that all he needed was the fact that the money was to be spent on roads. This was in essence what they were saying.

They were saying: they followed the accepted procedures; they did not break any laws; they allocated 25 million for roads; and that at the time of the budget presentation they did not have their lists ready, you know, and that this is something that would then be decided by the minister later on, and it was normal, accepted procedure. So I've also attached as an appendix the official response of the government.

I've also attached some excerpts from the committee hearings, and these excerpts point out a number of things. First of all, I suppose, the very first one is the chairman in his introductory remarks. I was not the chairman; I'm dealing with somebody else's public accounts committee. The chairman kind of summarized the situation, and then right away he indicates that, and I've got this underlined on mine:

> I think I heard the Premier of the Province one day on radio or television stating that it was really none of the Auditor General's business.

So the position of the government as well as of the officials was in essence — and of the government members on the public accounts committee, for a while anyway — was that really it was none of the Auditor General's business, that really if the money allocated was spent on roads, then it was none of his business as to where it was spent, that that was a matter of policy and so on.

So in the excerpts from the committee, you'll see some of the politics that comes in, obviously: the idea of money spent in Tory districts rather than Liberal districts, and the way that government members of the PAC will try to divert and this kind of thing and get attention away from the point that's being considered.

I've only put in here a few pages from what was, I suppose, 40 or 50 pages or more of the hearings. It was fairly political, which gets back to our discussion partly yesterday about a public accounts committee operating and being political and having vested interests and so on.

However, because the discussion was political, it didn't really mean that nothing was happening — another point I'd like to make: that as long as everybody realizes what's going on, as long as everybody realizes the political reality, at the end they can generally sit down and make recommendations that, if followed up, can mean something. Even though highly charged political when the press is there, when they get behind closed doors, they can hash it out and come up with a joint recommendation, a consensus on the particular item as to what they're recommending. I've also attached, of course, their recommendations.

As I pointed out in the first three pages, the recommendations, the findings and the recommendation of necessity, I suppose, had to be watered down a bit. But in essence the recommendation was that: well, number one, it was obvious that the committee agreed that it was the auditor's business, in spite of the fact that the public stance in the committee of the committee members from the government side was that, well really the Auditor General shouldn't be looking into this. It was the opinion of the committee, by consensus later on, that it was the auditor's business, and the recommendation was that the "Government co-operate with the Auditor General by providing him in a timely fashion (with) the information he requires to carry out his statutory duties." Now this was after stating that it was the auditor's business and, in essence, it was telling the government to provide the auditor with that particular information he wanted.

So, in spite of the politics and in spite of the highly charged atmosphere that it's operated under, a recommendation did come out. And it probably needs to be followed up on, but this year, for instance, they have started providing lists of specific projects and so on, so apparently the work of the committee was not in vain.

Somebody was wondering earlier about witnesses and so on. For this particular report paragraph, there were seven witnesses called: there was the Auditor General, of course; and there were three people from the Auditor General's department, because actually one of the points here was whether the Auditor General had any business getting in here or not — it was almost an examination of the Auditor General's department, to a certain extent — and the deputy minister of Transportation and the assistant deputy minister of Transportation were witnesses, as well as the deputy minister of Finance. So seven witnesses were examined in this particular case.

The questions that I wanted to throw out for discussion — and I've got four of them, although there may be others that crop up from the particular paragraph.

First of all, was the Auditor General overstepping his authority in even raising the matter? This was a point that came up. I mean, shouldn't the Auditor General be satisfied that the money was spent on roads, and should he bother himself with the fact that there were no specific road projects authorized? This is a fairly big point because, you know, how much can be requested by the Auditor General? How much information do you have to give, or how little information — if you want to put it that way?

To what extent must the Auditor General pursue his compliance with authority function? Should he pursue that in a very general way, you know, that the money was spent within the department, and leave it that, or should he go down to see if the money was spent on the specific project? Or should he even go further and say, within that specific project, was the money spent the way that it was intended to be spent?

The third one: is there any circumstance where block funding of this sort is appropriate? I kind of dealt with that in the beginning — like, what are the limits? Can we simply have a block of money given to a department, or should we break it down to two or three headings, or should we go down in terms of roads, and water and sewer, and so on, specific projects? Or should we have a limit? Should we say that projects under a half a million dollars, that it doesn't really matter; with projects over a half-million, we need to know the specific projects? What are the limits? Is there any circumstance that block funding is appropriate?

And fourth: is there any public accounts committee structure that could make this type of examination more useful? I know that, you know, we have a majority of government members on our public accounts committee. It does become political — no doubt about it, as you can see from some of the excerpts. But at the same time, you know, there was a recommendation came out of it, and it seems to be being followed at this point. You know, is there any public accounts committee structure that could make it more useful, that could perhaps have gotten into it in greater depth?

So these are the questions that I have thrown open for discussion, and I'll just stop there and see what happens.

Mr. Chairman: — Thank you. They are, I think, very relevant questions: where does the authority of the Auditor General or the auditor and the elected people cross, where do they cross or where do they meet? I'm sure that goes on in every jurisdiction. It certainly goes on in Saskatchewan, and I think some points well raised.

Who wants to get in?

Mr. Richard: — Reading through this yesterday and just listening to Mr. Baker this morning, I guess the first thing that occurred to me in trying to compare what would happen in our jurisdiction is that earlier in time, when the 25 million was voted in the estimates procedure, in my view, I guess for the MLAs, or the opposition MLAs certainly, inquiries should have been made then of where's the $25 million going to be spent.

And if a year or two years later in carrying out the function of the public accounts committee, my prediction in our jurisdiction, if it happened like here in this example, that would be the response of our minister of public works or roads, whatever it is. He would say, if you wanted that information, why didn't you, back earlier in the process prior to approving the 25 million, ask for the details of the information. And I suspect that with our system we wouldn't have had much of a rebuttal for that, particularly if it was the same legislature a year earlier, or the same people, the same opposition. That's what leapt out at me when I went through this initially.

But as far as the question that's asked here, the Auditor General overstepping his authority, I think clearly he did not. I think it was legitimate to raise, and I can see what some of you say.

Now we don't have party politics in the Northwest Territories, but I can see, reading this transcript, what some of the problems are in functioning as a public accounts committee when you get really partisan like that.

So I would say that the Auditor General is clearly within his authority to raise the matter, and your public accounts committee was clearly within its authority to discuss it as you did. And I think it's unfortunate that it was in the end result your recommendation was watered down on an issue like this, because I think you clearly should have been entitled to that information. Thank you.

Mr. Chairman: — Thank you. Are there other comments?

Mr. Katzman: — I guess I want to play a little devil's advocate here and suggest, much as Northwest Territories just did, subject to how you voted at it at the time of estimates, would be subject to how your auditor must audit it, in my personal opinion. And I'm playing devil's advocate here because the ground rules were laid in the House as you voted a bulk amount.

I use Saskatchewan a little here and suggest in our case we give out a page called project array. It's been done ever since I've been a member. And in the Highways, that's every highway that's supposedly going to be built — how many miles. We don't put a number on it financially, because you're not sure what the tenders will do to you, but then we vote a bulk amount for that total construction.

Now we may break that construction down to the six different districts of the province where they're going to happen. So mile by mile we do not vote on the dollar spent, but we agree we're going to build X amount of miles of road, either gravel them or pave them or oil surface and so forth, and there is a total allotment of money.

So when we vote, we vote Saskatchewan in six districts; and we vote so much construction in district 1, 2, 3, 4, 5, 6. And the minister stands to his feet and announces how

many roads in each area but doesn't put a financial number on them. Or if you did, I think you would cause yourself some problems in your tendering system because everybody knows what you plan to pay for each mile of road. You're causing yourself a problem.

But technically, I think your auditor was out of line because he can only audit as the House votes, and your change must take place in your House to change your layout of your estimates rather than to say you can do it after. I may be wrong, but I'm reading your document.

Mr. Baker: — I just want to briefly respond to both of them. When the estimates come before the House, you obviously have the situation where the government has a large majority, and in that case 20 million was allocated for roads. They put another 5 million after it, but anyway . . . And obviously the opposition tried to find out where the money was going to be spent. I mean, all these things, I think, are pretty obvious.

And then of course we have a limited time for the estimates committees, and the times runs out, and automatically then the majority passes the estimates regardless of what the opposition has to say.

And I go back to what I said at the beginning. That opens up the possibility of, for instance, a government doing block funding in a much greater way and simply allocating money to a department and saying, you know . . . There's nothing an opposition can do in that regard if you have built into your system time constraints on estimates committees and this kind of thing. There's nothing you can do to stop it.

Now at what point does an auditor then have the right to come say, all right, I want to see whether that money was spent. Now there's where you run into the problem, you see, where it was authorized to be spent. And you know, there is a position that then the Auditor General has to be satisfied with that block funding that was passed by the House, and that's the only basis on which he can operate. I can see exactly what you're saying. But it does make it rather difficult in the auditing process, then, to determine if the money is being spent properly if that's all the information the Auditor General is going to be given.

So I mean the House process was deficient, no doubt about it. The House process was deficient. But then, you know, the question is, does the Auditor General have the right then to say, well okay, not the House, but I need to know which projects were intended so I can go back, or which projects were authorized so I can go back and check and see if the money was spent in that way? Does he have a right to do that, and in a sense he is getting into the political process, isn't he?

Mr. Katzman: — Well, I would respond, in the case history in Saskatchewan, even though we lay out the project array which is all the projects going to be done, the member sitting in this desk right here challenged the minister during the estimates, and in Saskatchewan we lay out every road that's going to be built. The member was Mr. Bob Larter, and Eiling Kramer was the minister at the time. The machinery was rolling in an opposition member's constituency, building a road, when the member chastised the minister. Within 24 hours the machinery disappeared from his roads, and the road was not built for two years. It remained in that condition.

The message is, in Saskatchewan you never criticize the Minister of Highways if you're on their project array. If you're not on the project array, then you criticize very hard, as the opposition normally will do. And so what happens is the reverse happens; Saskatchewan ends up putting a little for the opposition everywhere to keep them quiet, so nobody will criticize any more.

And so you'll have the reverse if you go too far. You'll have our situation. Each opposition back-bencher gets a little something so he's quiet. Because we all remember when Kramer was the minister, if you criticized him, he pulled it all. So you have the reverse coming.

Mr. Blake: — Thank you, Mr. Chairman. I was just going to follow on Ralph's comments, is exactly what I was going to say. I kind of like your terminology — project array. We call it a road program in Manitoba. But the minister comes in with the programs that are not completed last year and will be completed this year, and the proposed projects, and it's a pretty complete list. And then we vote so much for construction, and then it depends on what the bids are and how much gets done, and if it's not done, it's carried over to the next year.

But we've had Highways ministers do exactly what the member for Saskatoon says when he's standing up in his estimates, and some member gets up and has been allocated 10 miles of road and laces hell out of the minister because he's not getting 50; we've seen the minister stroke him right off the list. So that tends to keep the opposition fairly quiet from criticizing the Highways minister because we all want roads, no matter how we get them.

But I don't think in our particular situation the auditor would be looking into the expenditures that closely.

Mr. Chairman: — Thank you. Is there anyone else?

Mr. Katzman: — Mr. Chairman, just for the courtesy, I've sent up to the Department of Highways and asked them to send down what a project array list looks like, for the members that are from other provinces, and we'll hand them out in a few minutes.

Mr. Baker: — Eventually the minister did provide the Auditor General with a list by provincial district. Eventually, much later, he did provide a list of projects. Since this particular happening he has provided lists and planned . . . He's even gone ahead for the next three years right now and presented us with planned projects for the next two or three years and exactly what's going to be spent and what's planned to be spent in which particular project. So I think this particular thing worked rather well.

Mr. Chairman: — It seems to have created some forward planning. Our Department of Highways, I think Mr. Katzman would agree, does three or five year projections. It's certainly, because of politics and because of changing needs, a flexible projection — and it changes from time to time — but at least they do have some idea about where

they are going. And even the project array sometimes is not adhered to totally, but at least it's a guide that the legislators have so that another year they can come back and say, well how did you do with this array of projects that you talked about last session?

Mr. Katzman: — The history of that occasionally will show that in election years there's always more on the array program than there's ever enough money for, and the rest of the years it's pretty well enough money is voted to do what the minister says. I think that's history. I can't comment on my own government because the election year is supposedly going to be this year, or shortly, and we'll see if the array project had enough money or not. But history has shown in the past, election time's array has always been seen to be short of money but had lots of roads in it, depending on where you thought you could win a seat or not.

A Member: — Poor Ned is thinking.

Mr. Katzman: — Well at least it's not like some provinces where the Highway department changes after the election, subject to which sign you carried.

Mr. Chairman: — There are others who want to get in on the subject.

Mr. McCallum: — I'd just like to maybe address the first two questions that Mr. Baker posed, that being: was the Auditor General overstepping his authority in raising the matter? It would seem to me that because of the increase, not so much in reference to the $20 million that was set aside as block funding for projections, it would seem to me that there would be . . . because there was a special warrant issued, as I understand it, a month after estimates were approved, that that would have shown up in the accounts the following year. So that if the Auditor General was doing his particular job in reviewing those accounts, that would have been noted, and I think he would have obviously made some kind of a comment on it in his report.

In my opinion I don't think it would be wrong for the Auditor General to, as it were, overstep his authority in raising the matter. It would seem to me that's one of the duties that he should have.

I'm not sure what your financial administration Act says as to when and how special warrants can be raised. And if there were certain particular instances where it can be, and if the government did not use its authority under its financial administration Act to issue that particular special warrant, then the Auditor General, in my opinion, would be correct in raising it at least to the committee to the extent that — in reference to the second question — to what extent the Auditor General pursues his compliance with authority function.

It would seem to me again that that is a responsibility of the Auditor General to do that. Unless there has been proper authority within your financial administration Act, then I think that, again, the Auditor General should pursue, at least to raise it with your public accounts committee, that in point of fact government is operating under the proper authority, and if it isn't, it should be held accountable to the House for it.

As to the other instances, block funding of course is a process that the federal government uses in a number of instances — health funding, for example — to the provinces. I recall a former minister of Health from this province getting into quite an argument with the then minister of Health, federal minister of Health, Monique Begin, about block funding and how it would be used in provinces. I refer to Mr. . . . I think it's Herman Rolfes at that time, and I raise him because I know him well, and he used to get into quite an argument with Monique Begin about how he was going to use this block funding. But I think that there were examples.

But it seems to me that the key issue here would be: how was the additional 5 million plus done; was it done within the administration Act, or your proper provincial administration Act even though it was done a month after. And if it was not done in compliance with your FAA, then the Auditor General would be correct in raising that, at least bringing it to the attention of your public accounts committee. And I think he has to ensure that there's proper authority before there's an expenditure of funding. I'm not sure about the fourth question, but those are the comments that I would make.

Mr. Baker: — The Auditor General did, of course, bring that point up and this was the basis on which he made his comment. And just to read through, he said:

> I therefore recommend that, for budgetary control purposes, the provision of "block funding" for capital roads projects be discontinued. Instead, the budgetary allocation that the House of Assembly is asked to approve for capital roads projects should be supported in the budgetary documentation by details of the specific projects . . .

Now he said:

> In my opinion this procedure would eliminate the deficiency that currently exists in the budgetary process for approving funds for the improvement and construction of provincially funded roads in that there would be no need:
>
> (i) to issue a Minute of Council to approve allocations of road construction (funds) by Electoral District;
>
> (ii) (and there'd be no need) to issue a Minute of Council and a Special Warrant to authorize additional funds . . .

His point was that then you'd know what you wanted to do. So he did mention that in his report.

With regard to block funding in the federal government, you know, I believe personally that if the federal government provides so much money to a province for health care, that they should bloody well make sure that that's where it goes, and I think that they have an obligation to see that's where it goes.

There's some kinds of block funding obviously. In Newfoundland we have a denominational educational system, and in education there is a block funding for school construction that's turned over to the denominational committees, and then the denominational committees decide where the new school construction is going to be. And there seems to be no great concern about that because that's their responsibility to see that, you know, to determine where the new school construction is going to be. But here we're dealing in terms of Department of Highway or Department of Transportation with the end of the process — the end of the process.

Now if you're going to do an audit of the school committees to follow through on the expenditures for school construction, then I suppose you'd have to get into where the money was intended to be spent by the committees and where was it spent. So you're at the end process there. And the block funding for the federal-provincial government is not really an end process either.

You know, as long as the feds see that the money is spent where it's intended to go generally, then the provincial auditor has a responsibility to deal with the specific projects. But we're dealing here with the block funding in an end process, you know, the final dispensation of the money, and there's a slight difference between the block funding in the end process and the block funding as part of the process.

Mr. Katzman: — On the block funding with the Canadian government, that's an excellent topic, and I would make this comment. Assuming health, which is the one you brought up, let us assume Saskatchewan is going to cover toe-nails and Newfoundland is going to cover finger-nails, and the federal government says, hey, both of those aren't part of health care and we don't want our portion of the money put there. That's the kind of arguments, I assume, is what the ministers from provinces will argue with federal: what are we block funding health — what portion of health — and that's a legitimate argument where the federal government may say, we're paying part of these things that we consider health, not those things you have added within your province. And I assume Highways would have the same issue.

Ms. Nicholson: — Thank you, Mr. Chairman. On the first issue of: was the Auditor General overstepping his authority? I would say the answer is no on two grounds. First, there's the Auditor General's statement to the committee that he couldn't do an audit of the roads program without a detailed list of the individual projects. And it seems to me that when an auditor runs into circumstances that make it difficult for him to do his job, he is not only entitled to say so, he has a duty to say so to parliament, because the Auditor General is the servant of parliament, not of the executive.

The second point that I wanted to stress is one that often seems to be forgotten, which is the control of the public purse is the responsibility of parliament, of the legislative branch, not of the executive, and increasingly ministers forget that. And I think that we forget that at our peril, because it's an issue that goes very much broader than whether I approve of an individual minister's expenditures or not. It goes right to the heart of democracy that the people have elected their representatives to watch the public purse, and that that's one of the first and most important duties of a member of parliament. And one must never forget that, and one must never let the executive encroach on that right.

The third point that I'd like to mention is the whole question of the information provided to members at budget time by way of budgetary estimates. And indeed, as programs get more complicated and budgets get bigger, it gets harder for members to have a real handle on just what they're passing with budgetary estimates.

Federally we moved to a new system a few years ago — some of you may be familiar with it — whereby more information is provided to members in part 3 of the estimates. And for those of you who are not familiar with this, you might like to have a look at it. It does mean giving more detail about the individual programs. This was something that was developed by the controller general and the Auditor General in co-operation with members, the members having discussed first what their informational needs were. And this was a partial response to that.

I may say, in our experience we find, having now got more detail in the estimates, that we have to be extremely vigorous that we continue to get that level of information, because the officials tend to balk at giving that much detail and are very ingenious at finding reasons for cutting things out of part 3 of the estimates. And the only answer is for members to make use of all the information that's available to specify in debate from estimates, where the information is coming, or to ask for more information. The members really have to be very vigilant about that.

Mr. McKee: — Mr. Chairman, I think the very last point is extremely important. I think in the case that is raised by Newfoundland, it seems to me that yes, I agree, the Auditor General was right in calling for more information; and yes, perhaps he had the right to go look whether or not there was compliance with authority.

But one of the points, though, that I felt was very important in this case, is the responsibility or the onus on the members in the discussion before the approval of the estimates to have that kind of list and that kind of information. In my experience in estimates, or in public accounts committee work, they'll only give you as much information as you're asking for, and they will hold back. They may come before your committee with stacks of information, but I'll tell you, it's been my information in our jurisdiction that they're not going to volunteer that information unless you start asking for it. And it seems to me that there was some responsibility that wasn't alluded to by the Auditor General here in his recommendation. There was some responsibility, no doubt, on the members before the estimates were approved to actually have those details, or a least as much of that information as possible.

Mr. Baker: — I was just going to say that our estimates committees don't work, to start with, and the budgetary process doesn't work, simply because an opposition has

no way of insisting that information be given. If there were no time limits, then you have the time-honoured thing of keeping the thing going till hell freezes over.

But we have, for instance, a time limit on our estimates committees, and there's a time limit on the budget debate itself. And we have a total of, I think, 75 hours altogether, and that has to do with a combination of estimates, budget debate, committees, the whole bit. We have very, very rigid time limits in our estimates committee; therefore, it doesn't work. You can ask for whatever you want, and there's no way that you can get it. Not only that, but the time constraint is on the total estimates committees, and it's not on individuals. So if the government has an estimates committee that it feels is going to get a rather difficult time, then it can schedule towards the end of the time period when all of a sudden you just run out.

So, you know, I think the Auditor General realizes that. And the point is, our estimates committees don't work; they're simply times for political posturing and nothing else. You know, they just don't work.

That's the reason for this. I mean, you know, these things were asked for many times but never received. It's only when the public accounts committee took it up that we began to get results afterwards.

Mr. McKee: — We don't have the time constraints, and so therefore in the estimates if we ask for those lists and insist on receiving those lists, they have really no choice if they're available and it's a reasonable request. And it's been my information that they do provide those lists, not the amounts, but the list of roads or the list projects that they will be considering.

Mr. Chairman: — Thank you. We don't have time limits either, in Saskatchewan. We can hold up a department, from the point of view of the opposition, for a month or two months if we so wish. That has its disadvantages. But as I listen to some of the comments being made here this morning, I'm beginning to think it has some great advantages as well.

Mr. McKee: — One disadvantage is that . . . One session our leader, to use the very example that was alluded to by Mr. Baker that he would stay there until hell freezes over, by the end or the third week in July he didn't only have the members of government mad at him, he had his own members mad at him.

Mr. Chairman: — I'm going to go to the next item.

Mr. Katzman: — I have a question of all members. Could they indicate who has time limits and who doesn't? It would be very interesting to know if you could go through the groups. No time limit in Newfoundland?

A Member: — No time limit.

Mr. Chairman: — A time limit in Alberta?

Mr. Pashak: — Alberta — time limit.

Mr. Blake: — We had 90 hours when I first was elected, and a couple of years later it was wiped out; we had unlimited time. Now they're negotiating to bring back maybe 200, 240 hours, or something like that, because I think it does get out of hand when you have unlimited time.

Mr. Lea: — We had no time limit. We now do. And I've worked under both systems. The time limit, as long as it's a reasonable time limit, it works, I think, better than the unlimited.

Mr. McKee: — No time limit.

Ms. Nicholson: — Estimates are deemed adopted if they're not reported back by a certain day, so it's in effect a time limit. But there really is adequate time within that.

Mr. McCallum: — We have no time limit. It depends upon the make-up — because of the make-up of our House — whether the Innuit or the Dene people want to go back out on the land. But we have no time limit.

Mr. Belisle: — It's a 200-hour time limit. It's definite.

Mr. Archibald: — We have a 75-hour time limit on estimates. They're discussed in the House. The opposition has the opportunity to pick the first four they want to discuss and then after that the government just brings them in in alphabetical order.

The limit is also, I think . . . It must go 15 days or 75 hours. Last year it was 60 hours; this year it was 72 hours. So it . . . And next year, as we approach to an election, it will go 75 hours.

Mr. MacPherson: — As I understand, there is no time limit, but something like the Yukon, the weather plays a big factor in time.

Mr. Webster: — Well, speaking for the Yukon, the weather doesn't really play a factor. Even though we do have very short summers, we're all very anxious to get out in the spring when we do the estimates. But we have no time limit. And just to give you an example, we spent four weeks on a supplementary budget of approximately 30 million, and a week and a half on a main of 170 million. No rhyme or reason.

Mr. Katzman: — Saskatchewan has no time limit. The farmers used to dictate when we got out, but now even the farmers don't dictate any more. It depends on the mood of the individuals and how willing answers are given.

Mr. Chairman: — Thank you. That's useful information.

Mr. Richard: — One observation we made recently when we were comparing our procedures with other jurisdictions, when we do our estimates, although we have no time limits, we commit ourselves to passing the budget prior to March 31st.

We noted recently, in comparing some of the other procedures, where you go into the new year, and your authority, I guess, is on some sort of interim appropriations, whereas we have not yet done that once

in the life of the legislature. We just commit ourselves to passing that budget; it's a priority item in February and March, and we aim for March 31st so there's prior approval before a penny is spent in the coming fiscal year. Thank you.

A Member: — But you have definite start-up dates.

Mr. Richard: — Well historically we start up in mid-February, and that's what we call our budget session.

Mr. Chairman: — We generally, or historically in Saskatchewan the party whips have kind of made agreements on how long each department would take. They're not always kept, because if you come across an item that the opposition feels is going to get some press or maybe there's some other good reason, then that rule may be broken, but over the years it's been maintained fairly well. And that's worked as sort of a gentlemen's agreement in the House between the whips and the House leaders.

I'm going to entertain a little change in the agenda. And if you agree, we will proceed that way. Mr. Archibald has to go at 10:30 to the airport to meet his wife who's coming in on the plane. So the Northwest Territories have agreed that Mr. Archibald from Nova Scotia would proceed now, and we'll put the Northwest Territories after the coffee break. Is that okay? Okay.

Mr. Archibald: — Thank you very much, Mr. Chairman. The Nova Scotia legislature has been meeting since 1758. Our present Legislative Building was opened in February of 1819 with 39 members. They still meet in the same building, and, as you can imagine, it's much smaller than this one. Today we have 52 members — 42 Conservative, six Liberal, three New Democrats, and one Cape Breton Labour Party.

The House of Assembly is steeped in history and houses the Legislative Chamber, the red room, which was formerly the legislative council chamber or the Upper House, and the legislative library and the Premier's office. Our public accounts committee is made up of a total of 11 members — eight Progressive Conservative, two Liberal, one New Democrat.

Each caucus makes a list and writes the chairman a letter with specific requests of witnesses and/or topics of discussion which they would like to be brought before the meeting. From those requests, the committee chooses witnesses to appear before our weekly meetings.

There were meetings held this year with lands and forests, with regard to the Nova Scotia airplane, the Nova Scotia Department of Transportation, the Nova Scotia resource board with regard to the offshore industry, the Auditor General of Nova Scotia. We had joint meetings with our industry committee. We have had one further meeting planned for the fall with the executive of the Sydney Steel Corporation.

Our public accounts committee has been chaired by a member of the government party; however this year, and upon a motion of the committee, the new chairman will be a member of the opposition party.

The format of our meetings are: we hold them Wednesday morning from 10 o'clock until 12 o'clock. The Liberals are given the first 30 minutes of questioning; the NDP follow with 15; and the Conservatives have 30 minutes. In the next hour the Liberals have 20, and 10, and 20. That usually takes the two hours.

Our meetings are very partisan, as you might expect. At the end of the session of the legislature, the committee seemed to be satisfied, basically. Some of the members, particularly the opposition, would like to be meeting year-round.

The press is there always. The television cameras — our House is not televised at all — the television cameras come in for the first 10 or 15 minutes to take pictures of both the witnesses and the MLAs, and then they're gone. But the radio and the press are here, and the radio fellows record everything that is said, as does *Hansard*. That's basically the operation of our public accounts committee.

Mr. Chairman: — Thank you, Mr. Archibald. It's open for discussion. Can I ask the question: does the press pay as much attention to your public accounts committee meetings as it does to the sitting of the House?

Mr. Archibald: — I think the public accounts committee is the committee they seem to like very much. I'm not sure why, but they're there and they are sitting there. During the legislature they usually go down to the basement of the building and they listen through the radio. When public accounts committee is meeting, they are there hoping to catch something they can write about in the paper. They get disappointed from time to time, but that's what they're there for.

Mr. Chairman: — Our meetings in Saskatchewan used to be closed, and at that time the press was really interested in sitting in on the meetings. Now that they're open, they seldom come in unless somebody whispers in their ear that there's going to be a hot issue around. That's why I asked. It varies. Question period in the House is the reporting thing, it seems.

Mr. Archibald: — There's always something interesting for the press when they leave the public accounts, because the people that are called — they don't call anybody unless the opposition feels they're going to get some news and some headlines. They don't have any particular method of questioning except it's sort of like a shotgun. When they ask the right question and they get an answer, that's the area that they pursue. Sometimes they get lucky and sometimes they don't.

Mr. Katzman: — Just one comment. As Mr. Tchorzewski said about the press, we have taken to insulting them. They cried for eight years they wanted in; we let them in and they didn't show up when the committee started. So we now announce when they come to the meeting on the *Hansard*: oh you're only a half an hour late, to the *Star-Phoenix*; you're only an hour late, for the *Leader-Post*. What's happening is, they either show up at the start now or they don't show up, because we've insulted them so often.

Mr. Blake: — The attention of the press or the interest of the press in attending public accounts meetings: I find a few years back I made an "Archie Bunker" comment aside to my buddy, who was sitting alongside of me, that created some great laughter in the committee. I noticed one of the reporters questioning some of the people in the committee as to what I had said. That was the headline in the paper the next day: Ethnic slur by the MLA for Minnedosa. We were discussing $3 billion worth of expenditures, and that's the story we got out of the press. So that shows what they're interested in.

Mr. Lea: — Yes, I've been on both ends of the barrel. I'd like to get a feeling from the group here because I've noticed in British Columbia that the press today do not cover the legislature like they did 10 years ago or 15 years ago. The calibre of person coming into the gallery is not as good as it used to be.

When I first went into the legislature as an elected member . . . Before that I was 11 years with CBC public affairs covering politics, and I didn't feel that I was qualified as a journalist to cover the legislature. Now they come in straight from school. As an example, one reporter, one of the older reporters, was telling me the other day that he mentioned to one of the younger reporters who covers for a major newspaper about the "blue machine." He said, what's that? You know, I mean there's no continuity.

A Member: — They're wondering in Ontario what it is.

Mr. Lea: — Mr. Blake's right. They're asking that in Ontario. And I hope they don't in Saskatchewan.

Mr. Klein: — I wonder if perhaps the calibre of the legislatures dictate the calibre of the reporters.

Mr. Chairman: — I think one of the problems that I — how did we get onto the press? — but one of the problems that I see is they're not well prepared, and maybe we need to work harder at preparing them. The problem with that is, then we get accused of packaging the news, and they resent that.

But the thing I find most lacking is that very seldom does a journalist of the modern era, the new journalist, have any history, any knowledge of history. And you can't report adequately on the political processes of a country unless you have some historical knowledge. And I find that a grievous error, a grievous weakness.

Mr. Archibald: — One of the interesting things in Nova Scotia about our press, and I think we all suffer, they're coming from school, but they were making quite a to-do after the last election because the NDP went all the way from one member to three members. And the press was saying that . . . some of the people anyway in the press were saying that this was the road that they were going. Well, if they were a little older they'd remember 15 years ago the NDP had five members in the House.

But they do not have any appreciation for the legislature, and it's not the place they all want to be. Most of them, I'm sure, would rather be somewhere else reporting, but we do have complete coverage all the time. They're all represented there, but for the most part they are young and it's their first assignments and they're trying to get out of the House.

Mr. Pashak: — I find the reporters are quite good in Alberta, but they only are there for question period. I just wondered if it's editorial policy or the editors that put restrictions on what the reporters write stories about.

Mr. Chairman: — We'll ask a former journalist.

Mr. Lea: — No, I don't believe that it's the editorial policy. It's the reporters themselves, but I think we made a mistake as legislators. Once we put the squawk box, as we call it in British Columbia, up into the press gallery, they came for question period and then left. And I think probably we would be doing the people of this country a service if we took them out and made those reporters come into the gallery because you cannot get the flavour of a legislator by listening to a squawk box in a room somewhere. You have to be there to get the feel of it before you can report accurately on the legislature.

And probably the best thing we could do — all of us — is to take it out, take their television away from them, and make them come in, or they don't get anything.

Mr. Katzman: — I'm going to talk from a different perspective. I used to own a newspaper, and I'm about to go back into that racket again. And I would suggest that you have hit the nail on the head. If you take the box away and force them to sit in here to listen, it becomes very interesting.

I will go back to 1976 and tell you how bad the press handled the session. In 1976 during the potash debate, which went for about 40 days, at about day 39 the press announced they were not going to cover any more stories on the potash debate. The debate died within two days. It was all over. They massively walked out of that row. The last guy that sat there, they walked back in and carried him out physically and announced on the media that day that they were not carrying any more stories on the potash takeover.

And the Liberals were putting up one hell of a good fight with a lot of good points in those days, but the press killed them by making that decision. What happened is, the press has decided they are God. They are not reporting what actually happens; they are slanting it.

I'll give you a prime example — and I get into arguments with the opposition. For example, Mr. Devine is the first Progressive Conservative government in the history of Saskatchewan. The 1929 government of Mr. Anderson was a co-operative government. But if you listen to the NDP or the press, you will believe Devine is the second Progressive Conservative government in Saskatchewan.

So your comment about history is right on. All you have to do is walk into the Clerk's office, look at the membership of the House of '29, and what does it say? Co-operative government — not a Conservative, not a Progressive, and not an Independent. Three parties formed a government — the same as what has happened basically in Ontario:

two parties have formed a government, except one party doesn't sit within the cabinet.

So they don't do their history, and they think they're going to decide what should be and play God. And that's self-criticism because I have a newspaper.

Mr. Blake: — Mr. Chairman, I assume that Mr. Katzman will have some influence on editorial comment when he gets back in the newspaper business, so we'll get some honest reporting in Saskatchewan, at least unbiased. I don't know how we got onto the press, Mr. Chairman, but I suppose you're going to run it out till coffee break, and then you'll be back on schedule.

I can remember — back when the legislature was reported maybe in more detail, back in the late '50s, early '60s — the most rancorous and time-consuming debate in the history of the Manitoba legislature. The two burning issues of the day were coloured margarine and daylight saving time, and that received front page for weeks. When you look back at how important those issues really were to the welfare of Manitobans, it seems rather insignificant, but that was reported prominently for weeks.

Mr. Chairman: — I think, clearly, we got onto the press. I wondered but . . . because in my view, whether it's a public accounts committee meeting or whether it's a meeting of the Assembly, one of the purposes of any elected body is to communicate with the public, and the only channel of communications we've got is the press.

If the press is doing an adequate job and doing a straight-shooting job, we'll communicate. If they don't, we won't. And even the public accounts committees will then not be able to do an adequate job because they will not be able to inform the public or create the pressures or public moods which will be able to support the committee in some of the points it's trying to make. And I think that's a valid point.

Mr. Lea: — Yes, I quite agree with you. In British Columbia, and probably in Manitoba — and I think we probably have the worst examples of how they don't run — I believe, if the press reported the flavour of public accounts, if they didn't let a day go by when the government blocked everything, that the government would finally have to put a public accounts system in that was a good process; but they don't seem to care.

Television, of course — they only file once a day; and unless you're the top story of the day, you don't get television because each network only files once a day. For coverage, 74 per cent of the people get their news from the radio in this country. It's the easiest media to get. It's an insatiable pig — radio. I mean, it just eats up news every hour. And if it's coverage you want, radio is the best to go after. Print is not as tough as television, but it's still tough.

Mr. Chairman: — Mr. Archibald, I know you have a time schedule, so feel free to . . . unless you wanted to make some concluding comments.

Mr. Baker: — I was just going to say that one of the problems that I see with press is that we're in an age now where people are trying to cut back and so on. And I think, if you compare today and 10 years ago, that there are fewer reporters on newspapers; there are fewer reporters in radio and TV stations — well, in Newfoundland, anyway. So you have a smaller personnel; therefore, the assignment is such that you don't have as many there, although in Newfoundland they cover it well.

I complain, myself, about the fact that they cover question period, nothing else. I mean, that's a normal complaint. However, if you look at the set-up in Newfoundland, we don't start until 3 o'clock in the afternoon. I don't know if other legislatures are the same or not. We start at 3 o'clock. You start at 2, yes. And question period sometimes, depending on whether there are any points of privilege or whatever that come up, any interruptions, question period probably is not over on the average, until 4 o'clock.

Now then, if you put yourself in the position of one of those people, they've got stories to get on the TV news, and they've got filing deadlines and so on. So what they do then is they just grab people and do interviews and things like that. Therefore, they just ignore what goes on from 4 until 6.

And sometimes I think that we haven't accommodated the press enough. I think that's probably part of it too, and that we might be partly to blame for the stress on question period and nothing else — in Newfoundland at least. I don't know if anywhere else.

So it's a two-way street. We all complain about the press. It seems to me in Newfoundland, if all three political parties are complaining about the press, that they must be doing a half decent job.

Mr. Chairman: — It's in the nature of politicians to complain about the press, but I agree we need to . . . I mean, we work together in many ways and we need to recognize their time frames as well.

Mr. Katzman: — I want to tell a humorous story.

Mr. Chairman: — Mr. Katzman says he wants to tell a humorous story.

Mr. Katzman: — It's actually about the press. When we became government, I was the Government Whip, and I was responsible for training all the rookies. My office was at the front door, and it was a big office. When you walked in it, there was a desk and a chair and about 30 feet of office. When you walked in, there was a 16-foot bull-whip, a large whip, and a lasso. And every day the press came to my office to see if they could flick cartons off the table at the other end of the room. And so what happened is every one of the back-bench MLAs were getting to meet the press personally and drink coffee with them. So they made friends with them and it was easier to get press.

And we used to play a little game. We used to bet quarters. We would have the secretary's chair, and we would push it across the floor, and you'd try to lasso it

before it got to the other end, and you'd win the quarters. But the whole name of the game was to capture the press in my office before they got to the NDP offices and make friends with all our back bench as they got elected.

And you know, it works. If you can get them away from reporting and make friends with them first, you can get away with a lot. I shouldn't tell that, but I'm leaving politics, so it's a safe story to tell.

Mr. Blake: — Mr. Chairman, I can top that one. One of my first jobs when I was elected on Friday was to take two bottles of the best that I could find down to the press. We lost the election in 1973, so . . .

Mr. Chairman: — Not good advice! It is now near 10:30, as the Speaker would say, or whatever he says, and coffee-break time — the usual place. We may take a little longer than 15 minutes. I think we have a schedule this morning that we have some room in. So if we don't call you back in 15, just relax and enjoy the coffee or the juice and the social aspect.

Recessed

Mr. Chairman: — If I can have your attention, we can proceed with the next item on the agenda.

As you know, I think our schedule says we'd be here until about 12:30 in the morning. If we get done early, and I suspect we might, the broadcast people who run the television system in here, because a number of you have expressed an interest in how the system works, have offered to do a bit of a guided tour and explain how the system works. So they will be available. If you are interested in that, they would be most happy to do it for you. So just keep that in mind.

Mr. Katzman: — We have basically three technicians run the whole system, compared to what . . . I think Quebec has 30-or-something-plus, and Ontario . . . or, sorry, Canada has X again. Three people do the whole system here, and I'll explain that to you. I believe Ontario and Canada and Quebec have all been here in the last year, examining our system to make modifications in their system.

The committee that put our system in place had Mr. Romanow on it, who was the former attorney general of Saskatchewan, and a group of MLAs, and was designed with what they thought were our needs for Saskatchewan. So the members of this House designed the system . . . sorry, laid out the ideas they wanted the system to produce, after seeing Quebec, Canada, and others.

Mr. Chairman: — Thank you. The invitation is extended for the tour. Let us proceed. We made a little change in the agenda, and the Northwest Territories, Mr. McCallum, will now begin our discussion with his presentation.

Mr. McCallum: — Thank you, Mr. Chairman. We don't have a particular paper this particular year. But in our discussions today and yesterday, various speakers have talked about the role of public accounts committees, and that's prompted me to maybe put down a brief outline of what our committee in the Northwest Territories does and how it operates.

I think you have been given a package which includes a colour brochure that provides information about the Legislative Assembly, including the pamphlet that describes the Standing Committee on Public Accounts, and also includes a brief report that highlights some of the information in the material.

The report's purpose is to tell you about the Northwest Territories and the legislature, and also to address the matter of our omission in the study in proven accountability, a report that was prepared by Messrs. Kelly and Hanson for the Canadian Comprehensive Auditing Foundation. That report, prepared in 1980, was a study of public accounts committees in all jurisdictions in Canada, but we in the Territories had at that time not yet formed our public accounts committee and were therefore not included.

I should point out, as well, that copies of that report were made available to our legislators to assist in the formation of our public accounts committee. As usual, we benefited from considerable participation and advice from the Auditor General's office of Canada.

I'd like to address some of the issues discussed with a view as to how we, in the Territories, have approached some of the issues. We have a committee of 10 members. As I've indicated before, we do not have a government, as such, or an opposition as those terms would apply in other jurisdictions. There are 24 MLAs, eight of whom were selected by all members to serve on our Executive Council, but none of them serve on the public accounts committee. The 10 ordinary MLAs, as our Executive Council want to describe us, form the public accounts committee; therefore, we can only be non-partisan.

We have one research officer shared with our Standing Committee on Finance, and we believe that having that position has been very vital to the work of both the Standing Committee on Finance and the public accounts committee.

Our Assembly members come from all walks of life, as those of you who have read the material that we passed out — some lawyers, teachers, business men, hunters, and trappers. There are eight Innuit members, six Dene or Métis members, and 10 non-native or, if you like, long-time residents of the North.

In our present public accounts committee we have two Innuit and four Dene members amongst the 10. It's important for all of our members that documents that are to be reviewed can be put forward in an understandable layman's language, so one of the duties of our researcher is to translate the legalese, if you like, the accountants' gobbledegook, into language that can be understood and which can be interpreted then and translated into some of the native languages.

Obviously, as far as our Innuit members are concerned, they do not have Innuit terms that correspond to some of the terminology that would be used in public accounts or in accounting, and in legalese. I'm sure Mr. Richard can

indicate to you that Innuit members don't have a word that when they're in court that they say whereby they're "guilty" of something. So they have to use another term, and it has to be translated so that the intent is given to the member so that they can understand it.

We have a different way of going through our estimates than in other jurisdictions. Our Standing Committee on Finance previews our estimates in late December or January before the estimates are tabled in the House. We do, as well, the same thing with legislation. So as a committee we can change or recommend changes to the estimates that the Executive Council will lay before us in our session in February and March. We have few time constraints in the discussion of these other than what Mr. Richard had indicated. We usually have an agreement to finish by the fiscal year.

We recently completed an 11-day session of the Assembly where we reviewed 22 new pieces of legislation. Members do not always have the time to review all the clauses, phrases, and the job of highlighting the more important aspects of legislation is done by the Standing Committee on Legislation. Highlighting financial implications is done by our committee researcher. The briefing notes that are developed from that are given to members in a reasonable time frame so that they can have an idea of what goes on. Members do their own research, of course, when items highlighted in the briefing material arouse any kind of an interest by a particular member.

In the material I passed out, you can readily see from a map of the Territories that we cover a large area of Canada, and members live in sometimes extremely remote places away from the capital of the Territories in Yellowknife. In most cases, especially among the Innuit members, these areas are only accessible by plane. These members do not have access to libraries, government material, government offices; and the only tool of communication, being a telephone, is not always reliable nor is it at times effective.

So our research officer is vital. We have one for the Standing Committee on Legislation as well. His or her particular role is very important in co-ordinating material for individual members. We use the researcher, as well, of our committees to assist in the writing of reports and the follow-up of the committee's recommendations.

We meet as a committee in formal sessions open to the public in May of each year. We have the Auditor General of Canada as our auditor. We review his report on our *Public Accounts*; we deal with his letter on any other matter; and we have a follow-up on what has occurred and how well the government has responded to our recommendations of the previous year.

In our case the reports are completed in such a time frame that, for instance, in May of '86 we review the '84-85 fiscal year. The '85-86 audit is now just being completed and will be reviewed in May of '87. We have a difficulty with time, but that's at times our own problem because we are in January, February, March, looking at present year estimates. It can be said, however, that this time lapse makes witnesses less reluctant to speak in certain instances. Issues that are discussed again, as everybody knows, are usually history, and at some times witnesses are more apt to use that as an excuse.

Current and politically sensitive issues are infrequently or rarely brought up during our particular meetings. However, unlike those jurisdictions such as Saskatchewan that only allow discussions on matters pertaining to the year in question, we in the Territories assume the right to ask about any current matter that may be affected by transactions occurring in the year under review. For example, if it was pointed out that the DPW and Highways ministry was going ahead with work without contracts, we can and we do ask for explanations of current policies and practices.

I think in the last two or three years of our public accounts committee, we've noted that our civil servants, our bureaucrats, usually the deputy minister and his people, I think they get very touchy at times. It's safe to say, I think, that they have a little reluctance — not a reluctance — but they're very apprehensive about appearing before our committee. They're not always civil. But, by the same token, I think that our committee, we've found that, as it grows and as it has been used, it grows even more so in strength. And in our particular system we can and do make hard recommendations that force the bureaucracy to respond to what we're doing.

Follow-up issues arising from committee review are conducted at the request of me, as the committee chairman, through the Minister of Finance to his ministerial counterparts. And we are embarking upon the idea that's very similar to what the federal government are doing, in having the comptroller of our government ensure that he will be the liaison and ensure that there is a better response being given to recommendations of our committee.

We prepare an annual report following the May hearings. The report is tabled. We can move it into our committee of the whole to get a better discussion on it, and have done. We will be using again, under our new rules, similar things such as the federal government in that the government will have a certain time limit to respond to what the recommendations are and then we can go back over it again.

The report is tabled then and adopted by the Legislative Assembly, usually after discussion in the committee of the whole. The recommendations therefore become a direction by the Assembly to the government bureaucracy and to the Executive Council. In this way, our looking back at the conduct of the government in the past serves as a way to direct the future.

We have learned, I think, a great deal from other jurisdictions and their public accounts, some of the difficulties that have been encountered with various legislations across the country, and hopefully that we've been embarking on something that is a result, if you like, of the trials and errors or mistakes that have been made in other jurisdictions.

The Standing Committee on Public Accounts serves in our area as a watch-dog, if you like, and to a great extent

an educator to ensure that our government indeed learns from the mistakes that it makes and hopefully that it will improve on the successes that it has.

Again, I simply want to indicate that we are very new, the new kids on the block as far as public accounts are concerned, but our members and our government, both the Executive Council as well as the bureaucracy, take it as a very serious matter to appear before the public accounts committee. And in that way we can ensure in our particular, unique situation that government is responding to what we're doing. We rely a great deal on the Auditor General and his people to assist us in our review of it.

We carry out *in camera* meetings usually in the morning and public meetings in the afternoon. Those meetings are recorded by our *Hansard* staff, that is, the public side of it. We have press there as well. We have the same difficulty with press as everybody else has — in having an interest. But at least they are there, and they do contact various members of the committee as to what goes on.

I think with those few words, Mr. Chairman, that will suffice to give you some idea. The material that I handed out, I think, may indicate to you just how we operate. We have included our terms of reference and how we conduct our business in that. Thank you.

Mr. Chairman: — Thank you, Mr. McCallum. The material — I have had a chance to look at it — is quite impressive. Thank you for your comments. Are there questions of Mr. McCallum of the Northwest Territories?

Mr. Lea: — Do you still have a commissioner in the Northwest Territories?

Mr. McCallum: — We have a commissioner, a civil servant, whose role in the Territories has greatly changed over the last six years. At one time the commissioner ran the whole show. He sat as a Speaker of, at that time, the council. The deputy commissioner as well as the Speaker were members of the Executive Council.

Today, neither sit in the House; neither participates in any discussion of government legislation or Bills or anything else. The present commissioner does not even sit as the chairman of our Executive Council. His role is rapidly diminishing and is very similar now, if not in fact close, to that of the role of a Lieutenant Governor.

Mr. Katzman: — Who pays for your auditing? I assume you use Mr. Dye. I would hate to see his bill. I'm assuming the Government of Canada pays it. Am I correct?

Mr. McCallum: — Yes.

Mr. Katzman: — Do you have any idea what that bill amounts to?

Mr. McCallum: — I just repeat what my buddy Ted said: I really don't want to know! I have no idea, Ralph, what it would cost. Last year, I think, was the first time we've had any real discussion on that with Mr. Dye. We had him at our public accounts meetings just this past May, and we raised it at that time. But we felt we were getting into a certain area that — it's like our elections — I'm not too sure we really want to know.

Mr. Katzman: — I guess the reason I asked the question is: you do a total audit nobody else, I think, really gets to do, because you do value and the whole bit. And we in Saskatchewan have discussed that, and I'm one that was fearful that the money spent will not be of value when I'm all done. Maybe that's my Jewish nature. If at the bottom end it's costing me less bucks to live with it the way it is than to change it, I'll do it.

But I believe that you have the other advantage. You don't pay for it, and you get all the benefits while somebody else pays the cheque-book. I'm wondering, if you had to pay the cheque, would you be as high on that type of system or not? I'm not sure of the value.

Mr. McCallum: — Mr. Chairman, I should indicate to you that we have our own internal audit bureau as well as an Auditor General. But the N.W.T. Act, as I'm sure — well, I'm not sure, but I would expect it's similar in the Yukon — indicates that our auditor is the Auditor General. That's a federal Act. And changing a federal Act, from our perspective, is very difficult.

I believe that, were we to come down the pike that we would have to pay for it, given the experience that we have had with the Auditor General, we believe we do get value for money with his work. And if it came down that our government would have to bear the cost of that, in my opinion, I think it would be well worth while.

We have a very good relationship with the Auditor General now, obviously, because of the financial set-up, but I think that what is being done is worthwhile as far as the Territories are concerned.

Mr. Katzman: — We've had a debate going in Saskatchewan. If we are collecting the revenue that is out there for us — for example, the sales tax — and the question becomes: do we put more officials out, auditing people who collect the tax, and will it bring us more revenue or is it a waste of money? Where is the efficiency balance?

And we in the committee have made a decision, based on information presented to us, that there is a point where it doesn't pay to go after any more money because it's going to cost you more money than it is worth. Have you dealt with that type of question in your public accounts committee as well, and what have you found?

Mr. McCallum: — Just recently, Mr. Chairman, our government has come in with a piece of legislation, municipal territorial tax. All communities pay a certain — or assessed — whether they are towns, villages, but they simply may be small areas. In some of those areas, it would be not economical. In other words, the amount of return given for the work to try to get that money, it doesn't balance. So that's an example, I think, of what you're saying, where we say, it's not really worth while to go out and flog it and send somebody out, the tax collectors, and everything else to do it. But we'd had that because of the size of some of the smaller communities and the amount of public buildings or housing, private

housing, that would be in those areas, so we have talked about it.

We, as a legislature, have approved this piece of legislation knowing full well that in certain areas that tax that has been assessed is not going to be realized. So we've addressed it to a degree. But again, you know, we're five . . . our committee is about five years old. These other issues, I'm sure, will come up as it grows in stature as we go through an experience.

Mr. Chairman: — Thank you, Mr. McCallum. Anyone else? I see no indication of further questions. Thank you for your presentation, Northwest Territories.

Next on our agenda is New Brunswick with Mr. McKee.

Mr. McKee: — Thank you, Mr. Chairman. Our public accounts committee mandate originates from our standing rules, and as of last year the standing rules also provided for an extra committee, that of the Crown corporations committee.

I simply want to read the two standing rules as they are: one, in relation to the Crown corporations committee, says that all annual reports of provincial agencies, boards, and commissions stand permanently referred to the Crown corporations committee. And the committee itself has accepted or interpreted that rule and interpreted the meaning of provincial agencies and boards and commissions to mean, on the one hand, any provincial agency, board, or corporation, and commission which reports to the House through a minister of the Crown, or to which membership appointments are made by the Lieutenant Governor in Council. So the reports and the accounts for those provincial agencies, boards, corporations, and commissions are reviewed by the Crown corporations committee, which is not the public accounts committee.

To name some of those agencies, we have the power commission, the New Brunswick Coal Corporation, the alcoholic and drug commission, a civil service commission, the Maritime higher education commission, a New Brunswick police commission, the liquor licensing board, the New Brunswick liquor corporation, health and safety commission, and probably there are others that escape me right now. So those agencies and those boards, their reports and their accounts are reviewed by the Crown corporations committee.

The standing rule that refers to the public accounts committee reads as follows:

> All reports to the House of the Provincial Auditor and all public accounts stand permanently referred to the public accounts committee.

Our public accounts committee is made up of 14 members. Our House has 58 members. Our committee has 14: eight members from the government side, five, and one — five opposition, official opposition, the Liberals in New Brunswick, and one NDP. We have provisions for substitutions as well. There are no ministers as members of the public accounts committee.

We meet on the average about 20 days a year, reviewing the accounts of all departments of government. How they appear before and what order they appear before our committee is really determined by the assistant Clerk who acts as secretary to the committee, and he's trying to keep the department officials and the members of the committee relatively happy in terms of arranging and scheduling the departments and the appearance of the witnesses before the committee.

We give a greater responsibility to the critics of the various departments, so that whether they be members or not of the public accounts committee, if the Department of Health officials appearing on behalf of the department are appearing before the committee, then whether or not the member who is critic is a member of that committee or not, he is appearing, and he will bear the responsibility of examining the accounts and examining the witness appearing on behalf of that department. It doesn't preclude others from raising issues, or whatever, but the main responsibility is with the critic in the House for that particular department appearing.

The witness appearing is usually the deputy minister who speaks on behalf of that department. He very often, he or she, will have other officials with him, but normally it would be the deputy minister who would take that responsibility.

The committee meets usually outside of session time. The committee will then report at the earliest opportunity to the next sitting of the House. The report to the House will include the motions that have been made and passed at the public accounts committee meetings. That report can be debated in the House. There is also a provision for a follow-up by way of notice of motions and motions in the House.

The Auditor General appears, with his report being the first thing on the agenda for the public accounts committee. The Auditor General does not normally appear when other departments are being examined, although the provision is there for that, and the Auditor General and any or all of the other departments are subject to recall as well. We have questioned the Auditor General on several occasions and proceeded with his recommendation of trying to bring in an amendment to the legislature for provisions for value-for-money audit. Last year we had a private members' Bill that was defeated. It was also a question of subject matter of a motion this year, and it was also defeated.

That gives an overview of the public accounts committee function in New Brunswick. We have a budget of approximately 40 to $45,000 for each year that the committee sits. This year in particular, it's $45,000. The committee does not travel. However, that budget will cover the per diem for the members if the committee is sitting outside of the regular sitting of the session. That per diem is $200 per day, per sitting day of our committee.

I guess that covers the subject matter that I wanted to put forward.

Mr. Chairman: — Thank you, Mr. McKee. It's open for discussion.

Mr. McCallum: — Thank you, Mr. Chairman. Just a question of Michael, if I may. The per diem, does that include expenses, Michael? Are expenses involved?

Mr. McKee: — The per diem is $200 a day, and you are also allowed travelling, a mileage allowance. The 200, you pay your living expenses and other allowances out of that 200. There's a breakdown as well, I think, for expenses' purposes or for income tax purposes out of that 200. I think that if I'm correct here, the breakdown is that 120 of that total is tax free.

Ms. Nicholson: — Thank you. I was interested in the fact that the government has defeated motions in favour of value-for-money auditing. And I'd be interested to know whether this was simply on the grounds of cost or whether it's because of reservations about the whole content of value-for-money auditing.

I was in Ottawa at the time that they changed the Auditor General's Act so as to allow value-for-money auditing. It was certainly something that was fiercely resisted by the senior public servants of the day. They saw it as allowing the Auditor General to reflect on policy decisions which an accountant was not entirely qualified to understand.

The battle still goes on on that issue. But it's not a new one, because I was interested recently to see a letter written in the last century by the then minister of Finance to the then auditor general, explaining to him that his mandate did not include any comment on policy decisions. So it's an old problem and one in which I think we've made some progress, but we don't have complete clarity on it yet.

Really, value for money involves a very fine line, I think, that needs to be walked between a thorough audit on the one hand and, on the other, reflecting on policy decisions which are not the auditor's business.

Now I think that the late J. J. Macdonell and Ken Dye have walked that line carefully and with finesse, and I think it has to be done if we're ever going to get real control of the public purse. But I know it continues to be a controversial issue, and I'd be interested in some discussion of it if other members wished.

Mr. Katzman: — I also am interested in the one issue of value for money because we've defeated it here on the principle that we're not sure we're going to get our value for money by doing it, as I indicated, Northwest Territories. Was that part of your discussion or not?

Mr. McKee: — Yes, Mr. Chairman, it was very much a part of the discussion. On the one hand it was one of the recommendations of the Auditor General himself in his report asking that the government move to have value-for-money audit. However, in the discussion when we presented a private member's Bill, as well as the discussion, the debate on the motion, the government's reaction was that quite obviously there would be a requirement for added staff.

Basically the basis of the argument against was the question of cost. However, there was also some discussion about the policy aspect and how it was to be implemented and the fine line that our colleague from the House of Commons alluded to. But in New Brunswick the bulk or the strength of the argument against was based on the cost factor, knowing very well that the Auditor General would require much more staff to carry out that sort of audit.

Mr. Katzman: — In Saskatchewan, if it is not the lowest tender, for an example in Highways — we'll use that because we used it earlier today — Highways put out X amount of tenders. In the case of, I think, three or four, they did not take the lowest tender. And the obvious question was asked by the members in public accounts: why not? And the results were, basically, you could say that because they believed that the person who tendered wasn't capable of getting the job done, or those kinds of reasons which are acceptable. It's almost like saying we say we're not going to get our value if this guy does it because we're going to have trouble. So we do some of it here.

The other thing I wondered when you spoke is: how often does your committee look at that type of a situation where say, okay, did you always take the lowest tender? And if they didn't, are you allowed to go into it?

Mr. McKee: — Mr. Chairman, if I may respond to that observation, it is that the committee will go into some specific situation if it's been fairly obvious to the member in the riding that he represents. But it hasn't been the practice of taking, let's say, every contract, asking for every tender submission and finding out whether or not that was carried out. Normally if it is raised by a member of the committee or by a critic, it's probably because it happened to be in his backyard or it was brought to his attention and he has reasons to bring it up.

Mr. Katzman: — The other question I have is: you said you changed and brought in the critics for a department. That would tell me that the government members are logs. They basically are there to vote you down because they're not getting involved, and I'm wondering if that is true, and therefore you have a partisan committee no matter what you do because they are basically there just to outvote you occasionally?

Mr. McKee: — Well, in practice it has been very much that kind of situation. In practice what has happened is that obviously the critic for the Department of Commerce and Technology, for example, comes in and he will carry 80, 90 per cent of the discussion from the committee's point of view towards the witnesses who are there. Someone else may have questions as well, but usually it's not on the same basis as the critic. So very often what happens is that if you get into a really controversial issue and it happens that there's a motion made at the committee meeting, more often than not it becomes a question of the majority, the government members being in the majority, the motion being defeated.

Mr. Katzman: — If I may use an example. Mr. Young, who is sitting behind me, is a Conservative member. The government is a Conservative. In his line of questioning, when he was lead in public accounts on the Attorney General's department, it was more damning than what

most of the opposition members brought up because he had done his research. As a lawyer he knew about the problems that are developed province-wide in a certain area. And his questions, as I say, were more damning than the opposition brought up.

So we've had the exact opposite where the back-bencher of a government sometimes has done a better job than the opposition.

A Member: — I've never seen that.

Mr. Katzman: — Well, we have.

Mr. McKee: — Well, if I may respond here very quickly, that may very well be the case, but that's the exception rather than the rule. It may also be the fact that it's a new member. Sometimes new members will do that.

Mr. Katzman: — Let me just add one comment; I'll stop after this. That would explain why in our House that the members of the government want to be on public accounts and not Crown corporations, because they're actively involved. And that will also explain why the attendance of the government members is better on this committee than anywhere else, because they know they're part of the game. They're not just voting there to stop things.

Mr. McKee: — I guess, you know, and I can appreciate that, but it hasn't been our practice, and maybe it's because our seating numbers in the House are not quite the same and, you know, it does make a difference here. But I do want to make the point that it has happened on occasions that government members on the committee will have a very serious concern in their riding that they're raising with the department witnesses, and, you know, they may not be scoring very well for their next caucus meeting, but they're scoring extremely well in their home riding.

Mr. Chairman: — Yes, good point. Mr. Richard has been wanting to get in for some time. Northwest Territories.

Mr. Richard: — Thank you, Mr. Chairman. Just getting back to this value-for-dollar issue — on a related matter we have considered in the future, I think, in the next couple of years we're going to be looking at following the lead of the federal Auditor General.

We noted an observation in one of his recommendations in his federal report on performance evaluation through various programs in government, and it's something that our committee and the finance committee have requested that our government consider doing through the various departments, that there be an after-the-fact — we call it performance evaluation is what it's called.

They're just completing a pilot project in one department of the government — Social Services. And assuming that somebody concludes that it's worth while expanding that to other departments, we are considering, then, requiring that the government, when it comes in with its estimates annually, that those results of the performance evaluation be placed beside the department estimates.

We noted a recommendation in the federal Auditor General's federal report — I can't remember the terminology, but in the *Estimates* there's a part 4 or a part 3 or something — part 3? — where it's recommended that these things, these performance evaluation results of programs, program delivery, be placed for members, when considering the estimates, beside the proposed expenditure, so that an ordinary member can see whether you should go yet another year spending money on such a program when you have beside it what somebody's measure of the success or failure of that program was, based on some criteria.

We've noted that with some interest in our committee and are looking, if our government does go to performance evaluation throughout the various departments, of then utilizing those criteria in our estimates process, as we understand they're going to do federally.

Thank you.

Mr. Lea: — I would think that it would be a very difficult task for an auditor to establish value, and I'll give you an example. When I was minister of Highways in British Columbia, there was a decision to join up A and B, put a road in between, linking up two roads. I went to my staff and said, the government policy is that we're going to link up A with B. Would you, as engineers, go out and look at that, come back and give me engineering reports on the feasibility of routes and, of course, put the costs to it.

So they came back and they had three different options for me to consider: option one, two and three. I said, which one do you recommend? They said, three. And it was probably the best, from an engineering point of view, and probably the best from a cost point of view. However, it went through a neighbourhood park, so there had to be a different kind of decision. And the decision has to be, I believe, that, as the minister, you're not the expert in that ministry, but you are as the representative of the people in that ministry.

So I made a decision to miss the neighbourhood park and to go to a different route. It cost more money and was more difficult to engineer. Now I'm sure that the auditor would have played hell with me. You know, if you want your business to go down the tube, put an accountant in charge of it because they don't make those kinds of decisions. They're not trained to, and they don't seem to have the disposition to make them, so I have my doubts as to whether you can audit to find out whether you're getting value for your money.

Mr. Chairman: — Thank you. Any response to that or any other question? Yes, Mr. Garon.

Mr. Garon: — I think too often in politics we are afraid of political decisions. A political decision is not a bad decision. It's a global decision amongst different criteria. But too often many people, journalists or organizations of civil servants, have made people believe that a political decision is not a good decision. I think in politics we are there to make political decisions, taking account of what you just said about the road. I think it should be said more often that a political decision, it's . . . When you say it's a

political decision — like, it's terrible; it's a sin. We are there for political decisions.

Mr. Chairman: — I guess the bottom line, we are politicians. Yes, Mr. Lea and then Mr. Blake from Manitoba.

Mr. Lea: — Yes, if I could just respond to that. I think premiers make a great mistake when they're appointing their cabinets, often, when they appoint a schoolteacher as the Minister of Education. You know, I think you should avoid that at all costs. And the only place I ever get an argument on that amongst legislators is from lawyers, when it comes to the Attorney General, but I think it should be a lay person there also. The job of the politician is not to be the expert in that discipline. It's to represent the people.

Mr. Garon: — You're supposed to be an expert in common sense.

Mr. Blake: — Yes, I can agree with Mr. Lea when he says premiers sometimes don't always make the right decision when they appoint the cabinet because I didn't get in it.

A Member: — Wrong geography.

Mr. Blake: — That's right, I was a victim of geography. But political decisions can never be justified on a value-for-money situation. You mention highways. We have a situation in Manitoba. There's a new bridge required over the Red River north of the town of Selkirk, which happens to be the premier's riding, and across the river is the Minister of Natural Resources' area. The engineers and the so-called experts came up with five possible locations for the bridge. The one that was chosen happens to go right through a new subdivision owned by the Minister of Natural Resources.

So that was the decision for the location of the new bridge. Something like $10 million is now up to about 17 because they've put a lot of money into a new marina south of it; and the bridge was going to be 35 feet above water level, and they realized the government dredge needs 55 feet and all the sailboats need about 60. So when you do that, your approaches go about two more miles, and the property acquisition has just been kind of staggering.

But privately, if you could get the highways engineers to — they'll admit it privately, they won't admit it publicly, that another location would have been more favourable. But that was where the bridge was going to go, and they can justify it from any angle you question them on. They're covering their butts, I guess, and they can come up with some excellent arguments to justify the location of it. So try and put a value for money on that sort of a situation and it's impossible.

Mr. McCallum: — Thank you, Mr. Chairman. Just in relation to what Mr. Lea had indicated, I look on it somewhat differently. I would expect, in the instance he remarked on, that obviously the Auditor General would report on it in his report. It may be in the letter, in any other matter, or whatever, but he could make a comment on it.

In the way we operate, it would then come to the attention of the public accounts committee. We may or may not consider it to be worthy of further questions. But if we do decide that it requires further questions, we would then have that department, the bureaucrats, come in to give us the answers to that. And it seems to me that the Auditor General would only be concerned about making sure that there was a proper documentation behind that decision. We would then ask the department officials: okay, you know, what was the decision, and what was the documentation behind it?

I don't believe that the Auditor General is really concerned about the decision itself. What he's concerned is that there is enough particular documentation behind it; at least, in our instance, that's where it is. We're making the department indicate to us what was the rationale behind such a decision, and so we would ask for that documentation.

If it were not forthcoming at that time and couldn't get it because they would say no, it's a ministerial decision to determine where it went; then it's up again in our report when we go into the committee of the whole, where we can then, to discuss our report, query the minister as to, you know, how the hell you made that, how come you made such a decision? I don't believe it's the Auditor General's hang-up about why, you know, what the decision or who made it; it's concerned with the documentation behind it.

As regards the business of putting people in who have any expertise — speaking of highways, we have a Minister of Highways who represents a constituency of Rankin Inlet — there are no roads in the damn place. So he certainly isn't an expert on it.

Mr. Chairman: — He can't be accused of favouring his constituency, at least.

A Member: — Not as far as roads are concerned.

Mr. Katzman: — I guess Quebec and B.C. had an interesting comment — politics versus money. I guess, in all the years I've been here, a lot of decisions are decided first on value for money when a department's looking at it, and second on politics. And it's quite interesting how often the decision changes and the political decision comes much before the cost factor.

You talked about a road through a park. You can talk about industries in trouble. Would we now, in Saskatchewan, where we had a drought for last year, value-for-money auditing would say we shouldn't put all this money into farms, we should put it into something else; where the political decision said, no, it goes to farming, and that's what our choice is and that's a political decision.

Then the auditor will value if it was spent wisely on the policy that was made, is what I assume is what you now do in Canada and Northwest Territories. After the political decision was made, you decide if the money was used well and don't challenge the decision. Am I misreading what I read from Northwest and Canada?

Mr. Lea: — Well I think there are two kinds of political decisions. You know, it's a political decision to not go through a park. However, it's a different kind of politics when you're talking about building a bridge through your riding. I guess we're talking about values. There are other values that have to be weighed when you're making a political decision other than just the cost. However, that's one kind of a political decision that, I think, is a proper political decision. To make the decision purely based on partisan politics is an improper decision for a cabinet minister to make.

Mr. Chairman: — Mr. McCallum, did you have something to add?

Mr. McCallum: — I guess the comment that I would make: that if there is a political decision being made regarding whatever, how then does the public get to know — or, if you like, an opposition get to know — of that decision if, in fact, the audit isn't strong enough, if you're not getting any kind of report on it?

I don't believe that in our instance the Auditor General is challenging the policy. He gives information to our particular committee so it can judge the government's decision. You're talking about the administration of that decision, when we deal with our bureaucrats, rather than the political decision, in the public accounts. If I want to talk about a political decision, I do that in the House, either in the question period or when he's talking in his estimates. I think that's the difference.

Mr. Garon: — I think the decision where we're talking about about the road — you have the three roads. That first choice, the third road, wasn't the best one, even if it was the most economic one. Now suppose the second one is the best road; after that, you have the economic value on the second road.

As a consumer, if I decide to buy a car and I go and look at all of the cars I want to buy, I can't decide if I prefer to have a nice-looking car, or cheapest to drive, or larger because I have kids, or two doors because I don't want the kids to open the back door when I'm running because they're young. But if I decide I want a Honda, I can go amongst five or six garages just to have the best cost for the Honda I need.

I think there are two levels of decisions. You say you want the road. They say, well, that road, that road, and that road. You won't select maybe the cheapest road out of the three; but when you have selected your road, it should be the best cost for that road. I think it's a political decision. There's all sorts of values to make a decision, but politics is only that. When you go back to the world and rule the state, politics is that.

So the management, the engineers, are only one element to decide about and to decide where to put the money. They're all political decisions. Civil servants, I think, are only there to help us to take the decisions and to execute the decisions, and we check with them to decide you do it that way. They're supposed to do that, following the rules we have decided. That's how I think, myself.

Mr. Richard: — It just occurred to me, Mr. Chairman, another example — although it didn't come up necessarily in our public accounts experience in the Northwest Territories, but in our Assembly — on this notion of accountability of the expenditure of funds and how far you go into the political decision.

As my elder colleague, Mr. McCallum, has explained, we have an Executive Council of eight ministers, and we worry sometimes that they act like a government in power, like party politics like you people have. One of the main issues in the Northwest Territories is the lack of adequate public housing in a lot of the smaller communities. In the last year we did quite a bit of an examination of the allocation of housing units. We only have so many million dollars to go around for new housing each year.

Our research staff did a breakdown of the expenditures by constituency and found, perhaps to nobody's surprise, that the ministers' ridings were getting, it appeared, a large proportion of the allocation of housing units over the last two or three years that the ministers had been ministers. We asked why, why is that so? Why did Baker Lake or why did Rankin Inlet get more than such-and-such another community that is represented by what is called "an ordinary MLA"?

Initially the response was: because we decided; that's why. We felt that that's not good enough. We felt and maintained, and I think we were proven right, that we're entitled to the policy. What is the policy that would cause you to build 50 housing units in this community and zero in another community?

Eventually we got the response. They maintained — the Executive Council, the ministers — that they did it based on a needs study, a needs survey, what the needs are in the various communities. Now that's the response; that's fine. But then, of course, our job, as we saw it: produce it. If it's a truthful answer, let us see the needs study. And it was produced.

But we had to go through that two- or three-stage process in order to get what we felt was an adequate answer. It was there eventually. It was just that they were so defensive, they were acting like a party in power — this cabinet secrecy thing — and they initially said, it's because we decided; that's it; we don't have to explain why. And we said, no, we're entitled to see the policy behind it.

Now that didn't come up in our public accounts experience, but it was through another committee, a housing committee that we had struck, a special committee. But I think it's an example of how, I think, you can go behind the bare political decision and ask for the underlying policy.

Mr. Chairman: — Thank you, Mr. Richard. If I may, I'd like to ask a question. Who chooses your Executive Council members? How is that determined?

Mr. McCallum: — You got the senior member who will respond, okay? The Executive Council is chosen by all 24 members. We elect the Speaker first, and all 24 members

select the eight people. Because of the mixture — as it would be done anywhere else by a premier, if you like — it's not necessarily you get the best people in. Because I'm like a couple other people; I was in and now I'm out.

A Member: — It's much better now.

Mr. McCallum: — But we select all 24 people and we usually try to get a mixture. We have an agreement because we have what is generally known as an east and a west of the Territories. Four of those members will come from the eastern part of the Territory, mainly composed of Innuit people with some non-Innuit, and four people from what is generally known as the western part of the Territories, that is composed primarily of Dene people, Indian and Métis, as well as non-native.

Now it doesn't always work out that way, and you try to get some kind of a mixture of two and two and two and two. It doesn't always work out, but that's what occurs, and we do it within closed doors and then the decision is announced — by secret ballot.

We also then select our leader by all 24 people, which is a sore point, which is why we're trying to get into . . . or we think that it would be much better to have a larger percentage of the population have a say in who the government leader would be. Obviously the answer's by party politics.

Mr. Chairman: — Thank you. The Yukon?

Mr. McLachlan: — I'd just follow up Arnold on the leader. Do you all 24, including the Speaker, cast a ballot, or is the leader only picked from the Executive Council of eight?

Mr. McCallum: — This time — that is, during this particular Assembly — the leader is selected by all 24 from among the eight people who were on the Executive Council. All 24 of them select a leader amongst that group of eight, by secret ballot again. Previous to that it wasn't, but this time this is what occurred. And of course we have a review and understanding again, a two-year review, which is why there has been a change in the leader.

Mr. Chairman: — Thank you. Any other questions or comments before I proceed to . . . Mr. McKee.

Mr. McKee: — Well my final comment, Mr. Chairman, if I may, is that obviously this value-for-money audit topic is an interesting one. I want to tell you that personally I support the principle. And I think that whether we would prefer to arrive at a better term, whether we would prefer to call it the performance evaluation, which doesn't seem to hit as hard as value-for-money audit, particularly because we are politicians, then so be it. I agree that we are politicians, to make political decisions, and common sense should be at the basis of these decisions. But none the less, I'm not unmindful of the fact that, yes, we must make political decisions.

Once a policy has been decided, then I think there is room. Once that policy has been decided that the road, the selection, is the third one, then I think there is certainly room for value-for-money audit or for performance evaluation.

And I think that it's important that the concept, the principle, be pursued, probably because I think that there's a principle for politicians that precludes all other principles. We're based on political survival very often when we look at the decisions that we make, rather than value-for-money audit.

Maybe I am wrong with that, but I'll tell you that very often that's the impression that the public has, and I think if that's the case, then there is room, certainly, for exploring the implementation of performance evaluation or audit for money.

Mr. Chairman: — Thank you. I see some growing interest in the subject. I will take a couple of more speakers and then I will go to getting us some instructions for the noon hour. Mr. Lea and then Newfoundland.

Mr. Lea: — Well I find the discussion really interesting. We've never debated it in British Columbia. It hasn't been a question that we've dealt with. However, I can understand . . . I suppose looking at it with the superficial knowledge that I have explains it.

When you start looking at the cost — and I'll go back to a ministry that I have had some experience with — let's take a bridge — so you have an engineer making a decision of using a certain structure made out of certain material, and then along comes an auditor and says, well I wonder why they used this type of material as opposed to this type of material. So then the auditor has to find out why they used that. And I could see that going on and on and on.

I would think that the cost of having your auditors check on all those kind of decisions would probably outweigh the value you would get out of those decisions. It just seems to me that that could go on for ever, in every ministry, especially the hard-line departments where you're not administering a welfare program but you're actually doing some real things with structures. I can see the cost of that just mounting up very quickly.

And the bureaucracy that would be built up in the auditing department just to look after that, you probably wouldn't have any money left to do anything else by the time you finished paying them. But maybe someone's had some experience with it; we haven't.

Mr. Baker: — Thank you. I've never really seriously spent any time considering the value-for-money auditing. I've heard two arguments against it: one, cost. I'd like to make a couple of comments about that, first of all.

If it's determined that this is a worthwhile activity, then obviously the Auditor General, if he's going to audit for value, needn't go into every single government expenditure. He never does anyway. He never audits everything completely anyway. He would not need, it seems to me, a tremendous increase in staff because the areas selected for in-depth auditing for value could simply be spot-checked, and nobody would know any given year what particular area he was going to look at in that regard. So it's not the kind of thing, it seems to me,

where you're getting into a totally, really comprehensive auditing for value requiring a tremendous increase in staff. But if it's a value, then perhaps, you know, done that way there would not be a tremendous increase in cost.

The other argument against it, I've heard, that it seems to me that the Auditor General is then getting into policy and getting into the politics of the situation. That's a problem for the Auditor General, a very delicate situation it puts him in because he's got to be perceived as being non-partisan and simply doing the job according to his instructions, and once he is perceived as being muck-raker or partisan individual, then he loses his effectiveness.

But at the same time, if there are political decisions being made — and there are all the time in all areas — it seems to me that there's nothing wrong with an Auditor General, and it doesn't detract from his impartiality if you were to say, look, you had a minister . . . or a department had several options here and simply to inform the public accounts committee or whatever, the House, that he chose the method that was more expensive, or that there was a less expensive method, or, in the opinion of the accountant and that kind of approach, that there was not value received for money. Now at that point, that would simply make everybody aware of the situation.

If in fact the decision to take the most expensive route was one of the good political decisions that you were talking about, then it's simply a matter of explaining that, and everybody would accept a good political decision, it seems to me. If, on the other hand, it was one of the bad political decisions, then it deserves to be brought out.

So just in a cursory examination, as I say, I haven't spent any time really thinking about this in depth. Just on the surface, from my point of view, I can see nothing wrong with at least getting into that and seeing how it works. I think it could be a value.

Mr. Chairman: — I think clearly it comes back to the question of justifying a decision and accountability, and those are the key words here. I'm going to let Ms. Nicholson get in, and I sense a really deep interest in this subject. It has been so for a long time. I once was a minister of Finance, and I know that there were very strong debates in our cabinet and in our caucus and by the opposition and others on the subject, and we never came to grips with it. So I think maybe we need to set up some mechanism by which we might, as a group of people like this, who are members of public accounts committees, pursue it in a more formal way at some greater depth, but I'll come to that later, Ms. Nicholson, unless you were going to suggest it.

Ms. Nicholson: — Yes, as a matter of fact, Mr. Chairman, I was going to suggest that this might make an interesting part of our discussion with the auditors this afternoon because I think they can explain, obviously, how they come at it and what they see as the parameters. But as I see it, an auditor doing value-for-money auditing does not reflect on political decision. What he does say is that the politician should have at his fingertips, before making his decision, full information about costs, and accurate information from the officials, and then the audit would start from the position, once the decision has been taken: how was that decision administered? In other words it's the administration of the political decision. For instance, a case in point on which our public accounts committee spent a lot of time was when we examined, on the basis of the Auditor General's report, expenditures in connection with a particular kind of defence equipment.

Now the auditor did not question at all whether that particular item of equipment was the best for the job or should have been bought. That political decision was made. But what he did raise a lot of questions about was the nature of the contracts and how it came about that costs escalated along the life of the contract, and so on and so forth. So I think that the auditors by now, having been in the business of value-for-money auditing for, I guess, about eight years, have developed a certain body of expertise to know how not to cross the line into the political decision while still going a long way past the traditional attest audit. And I think that the traditional attest audit is a very limited instrument for our present day.

Mr. Chairman: — Thank you. I think your comments are well made, and if I may suggest, and I'm once again at the decision of the group, that is the kind of item we might raise under agenda item 2 in our afternoon session about the expectation gap between legislative auditors and public accounts committees. And I think that's a very, very apt topic for that discussion.

I would like to make a further suggestion, and it's only a suggestion, and I leave it for the next year's executive to consider, and that is that maybe that's a separate and special item we might consider putting on next year's council — have some report by provinces who in fact have implemented it, get their experience, and have a paper that we can look at. So I leave that with you for considering in developing next year's agenda.

I don't know whether the past president is a member of the new executive. I don't think he or she is. If he is, I will suggest it again in that forum, but I will leave it with you for now.

Mr. McLachlan: — I would like to direct this comment to Mr. Lea because he first raised the issue. In respect to the bridge and the bridge material and being questioned by an auditor on the bridge, were I an engineer in the Department of Highways, I would believe that I had some knowledge of the cost and the value and the worth of the materials that went into the bridge. And I think, and I wanted to ask you about this as a former minister in this department, that when you go to public works types of projects at least, buildings and roads, that the engineering people who are in it have a fairly good grip on what material goes into the building to provide the desired service that he must do in the end. If he isn't, he's probably not worth his salt in that department.

And I would feel a little bit resentful about an auditor asking me all the time why I used asphalt decking instead of concrete decking on the bridge. And I wondered, have you run into this in the Department of Highways? Would you not put a certain amount of faith in the engineering people to deliver the product for what they saw as the best

price value for the design without being raked over the coals by audit departments?

Mr. Lea: — Well I find this really a great discussion as I sit listening to you in that question. On the other hand, as a minister, it might be an instrument for me to get a handle on my department and to ascertain whether or not the engineers in my department are actually doing it.

So I really have an open mind on this whole question, and I believe it would be a good discussion for next year's meeting. And I was going to ask the chairman, does it require out of this body a motion to do the two things that you've suggested — that is, to raise this question this afternoon with the auditors general, and another motion to ask the executive to make sure this is on the agenda for next year? If it is, I'll make the motion.

Mr. Chairman: — Certainly a motion, I think, is appropriate. I would suggest that that be done tomorrow in our morning session when we do the council business where there is an agenda. I think you have it — or maybe you don't; it will be coming around — where we have the election of the new officers and those kinds of items which I think would be an appropriate place to do that.

Mr. Katzman: — Could I ask for a comment from each of you here at the meeting if you use both your Provincial Auditor and an outside auditor, like a chartered accountant company, to do certain departments or Crowns or something. We, in Saskatchewan, use both. The Provincial Auditor does some; sometimes the departments hire outside auditors; sometimes it's inside auditors or, as I say, the auditor's department. What does everybody else do? I'd be very curious.

Mr. Chairman: — Okay, let me begin. Alberta might not be yet ready and able to do that. Manitoba.

Mr. Blake: — We use both, maybe not so much now as we did under the Conservative administration, but both. Private firms are used in some of the Crown corporations, and the Provincial Auditor in the others.

Mr. Lea: — We use both. However, it's laid out in legislation what will come under the Auditor General and what does not. So if it's not specifically laid out in legislation, then it's a choice.

Mr. McKee: — In New Brunswick it's also designated by legislation which area and which jurisdictions the Auditor General will be examining. We have agencies and Crown corporations that hire their own, of course.

Mr. Baker: — Yes, in Newfoundland the Auditor General does all the government departments and some Crown corporations, although some Crown corporations do have their own auditors from outside, independent auditors. Government departments may hire outside auditors to do feasibility studies and things like this, outside accountants, but generally it's done through the Auditor General.

A Member: — Who hires them, the Crowns or the Auditor General hires them?

Mr. Baker: — The department itself.

Ms. Nicholson: — The Auditor General is responsible for auditing all government departments, and the Crown corporations have private auditors appointed by the board of the Crown corporation. But a law was passed in 1984 which will bring the major Crown corporations under the AG, and there is a five-year, phase-in period.

Mr. McCallum: — Mr. Chairman, ours is similar to Newfoundland, other than that we have the Auditor General of Canada overall. But we have an internal audit bureau. Various recipients of government funding, whether they would be a corporation or not, can hire their own as well. So we have very similar, with the addition of the Auditor General.

Mr. Belisle: — Our system is exactly the same as the one in Newfoundland.

Mr. MacPherson: — As far as I'm aware, I think the Auditor General's department handles all accounts.

Mr. McLachlan: — We have the Auditor General's office and staff from Vancouver office, but we also have our own internal audit bureau in Government of Yukon.

Mr. Chairman: — Thank you. I'm going to, unless someone really feels the need to get into this some more, thank Mr. McKee for the excellent presentation that has, I think, started a discussion which will not end today.

Some reminders about the rest of the day: remember that this afternoon we meet at the Hotel Saskatchewan in the Saskatchewan suite. We have a joint meeting with the auditors, so we will not be returning here this afternoon, we will be returning to the hotel. If you want any of your material, you may need to take it with you, although if you want to leave some stuff behind, we will make sure that the doors are secure and you can do that.

This evening we have a joint dinner hosted by the Premier; that will be at the Wascana Country Club. Are there some instructions on the dress? Just suits; suits and . . . not blue jeans.

A Member: — Well, sports coats. You don't need to wear a tie.

Mr. Chairman: — No. Let me put it this way: it is not a formal function.

A Member: — You have to wear a tie, Ralph.

Mr. Chairman: — Ralph does, maybe. The bus will be leaving at a quarter to, so you still have time to stop in at the control unit here and view the way the televised system works.

We are going to have lunch at the Wascana Marina which is in the Wascana Park. I just want to make one comment: it's a unique facility in that it is run by an organization called Youth Unlimited. It's funded by both the federal government and the provincial government, plus the organization itself.

Its major objective is to train young people, mostly people who come from disadvantaged backgrounds, in the restaurant business. And these people go to this restaurant; they get instruction in all phases of it — the work in the kitchen, the serving, the business part of it, the whole works. So it's really quite unique. It's very new. It was only opened less than five months ago, but it has already had some positive results in that restauranteurs and hoteliers are now coming and asking: when do you have people available? So I just thought I would note that for you; when you get there you will notice that.

For the dinner tonight, I'm reminded we'll be departing the hotel at 6:30, so you'll have a little time to relax and get ready. Thank you very much for this morning.

The conference adjourned.

Mr. Chairman: — I know that there are some others who are here but are about the building and they will be arriving, but I think I will call the meeting, the conference to order. I suspect that when we get to the council business dealing with the council *per se*, after the coffee break, we may be pressed for time. So I will try to move us right along here.

I hope you had a pleasant evening last night. I'm fascinated by our luck with the weather. Sometimes it can be hot and dry, but this is comfortable hot. Maybe you brought it for us. If you did, we appreciate it. Next time we have a drought, we'll call you back again; maybe you'd bring rain.

So I will simply remind you again about the Big Muddy tour. For those who are able to go, I can assure you that it is quite an impressive place to see. And the evening barbecue at a model farm in the area, I think, you will enjoy. The tour will be hosted by Mr. Katzman and Mr. Young, both of whom are very knowledgeable about the area and very knowledgeable about the farming methods of this province. For those of you who might be interested, they'll be able to answer all of your questions, I am sure of that.

So with that I will ask the province of Quebec to start us off this morning with their report.

Mr. Belisle: — Thank you very much, Mr. Chairman. It is with great pleasure that, on behalf of the Quebec delegation and in my own name, I shall address this assembly today, reunited in Regina for the eighth annual meeting of the Canadian Council of Public Accounts Committees.

After having heard the previous interventions from the other delegations, I find it appropriate to explain in the first part of my exposé how our Quebec standing committee functions; and in the second part, try in the most humble way possible to leave you food for thought with regards to future avenues open to the various public accounts committees throughout Canada. Before attacking the core of the subject, I want to stress the only goal of my intervention, which is to explain Quebec's approach without whatsoever passing any value judgement on the other existing systems.

Quebec's public accounts committee existed since 1888 and was established and almost copied on the traditional British public accounts committee. This committee sat irregularly and became more active under the Taschereau government when the famous Maurice Duplessis used the public accounts committee in his scandal-hunting objective in order to overthrow the government. Once elected, Maurice Duplessis and the government of the defunct Union Nationale controlled totally the public accounts committee and converted its role to a unique partisan body whose existence and essence consisted to maintain his own political party in power.

Since 1960 the Quebec public accounts committee examined highly controversial questions on only several occasions which emerged from the Provincial Auditor's report. The last formal meeting of the former Quebec public accounts committee occurred in 1982.

During the course of 1983 and 1984 the Quebec government underwent a major reform of its whole parliamentary procedure. The final outcome was the enactment of a rules of procedure containing 327 articles, reducing by far the complexity of the two previous sets of rules of procedures of which one was more than 900 articles.

In fact, the committee known formerly as the Quebec public accounts committee was abolished in 1984, and a new committee emerged under the name, French version, La Commission du Budget et de l'Administration — English version, the standing committee on the budget and administration — herein and after called CBA, along with seven other sectorial committees like education, social affairs, and the rest.

The highlights of the new standing committee created in 1984 are the following. Firstly, 16 members compose the committee, and members of the executive branch of government are excluded. Secondly, it has a multifunctional role. It studies laws, budgetary policy, budgetary estimates, and assumes specific mandates given by the National Assembly and/or gives itself mandates of supervision and control of various departments or governmental agencies.

The powers and duties are set forth in the following manner: (a) the debate on the budget speech before the standing committee, article 275; (b) every trimester, consideration of the budgetary policy and developments in the financial situation of the government, article 292; (c) every trimester, revision and examination of the financial commitments of all departments, agencies, and bodies under the scrutiny of the committee, article 293; (d) equally, once a year, CBA has the obligation to examine the objectives, activities, and management of at least one public body subject to its powers of supervision, article 294.

The jurisdiction of the CBA standing committee encompasses the following fields of competence: finance, public accounts, government administration, treasury board, civil service, privatization, services and supply. Furthermore, in order to exercise parliamentary control and supervision mandates, double majority has to be attained in fact. This rule tends to minimize partisan-oriented discussions within the standing committee as to the selection of the topics.

As you have already noticed, it is not the only exclusive and primary function of the CBA to review and investigate public accounts. In summary, the Quebec CBA standing committee differs fundamentally from all the other public accounts committees throughout Canada. Its field of competence embraces public finance as a whole, and is leaning towards the larger notion of an . . . (inaudible) . . . of public choice.

The conception behind this radical change is based on the need for Quebec of public finance control before, pending, and after the expenditure decision is finalized.

Before the expenditure: study of financial laws and regulations, examination of credit estimates, scrutiny of budgets, study of budgetary policy and of the evolution of the government's financial operations. Pending the process: study and scrutiny of government bodies and agencies and examination of financial commitments. After the process: examination and revision of public accounts.

The originality of the new Quebec approach rests in allowing members of the standing CBA committee to extract a global and articulate all-around perspective of the large field of public finance. This fundamental position stems directly from the recommendations issued by the Lambert federal commission publicized in 1979.

At this point you should be puzzled by the vital and basic following question. Why did Quebec choose this avenue? What are the specific reasons or advantages favouring the adoption of this global system approach? These reasons could be summarized as follows.

Firstly, it is our belief, be it right or wrong, that it is impossible intellectually to limit and categorize public finance or public choice in separate and impermeable boxes such as finance, budgetary policy, fiscal policy, control and administration of departments and agencies, and public accounts, because they are all indivisible segments of the same general public finance process.

Secondly, it is of the utmost importance that follow-up and continuity be maintained by the same legislative members on the whole revenue and expenditure annual cycle.

Thirdly, the evidence, if one honestly assesses the past results of the traditional compartments between either finance, estimates, public accounts, shows that state budgets exploded literally since the 1950s, although the public accounts committee control system was then in existence. Moreover, payments of transfers, percentage-wise in the total governmental expenditures, have attained unacceptable levels which we believe are the principal factor creating difficult-to-manage government deficits.

Examples given, and if one refers to the United Nations yearbook of national statistics in 1977, where there is a comparison between various states like Canada, Finland, France, United States, and Switzerland, there has been a definite evolution. Let me give you a couple of figures. In 1950, 46 per cent of the total expenditure at the federal level was for payments of transfer; in 1977, 64 per cent — an increase of more than 18 per cent. Let's take United States, for instance — 39 per cent in 1950; it went up to 52 per cent in 1977. But the all-around record was Netherlands — 49 per cent in 1950; and in 1977, 81 per cent.

In Quebec, for the fiscal year ending on the 31st of March, 1984-1985, transfer payments amounted to 19.1 billions of dollars on total expenditures of 25.5 billions of dollars. That year the deficit burst to $3.2 billion. Facing those facts, Quebec endeavoured to reorientate the methods of control of the whole system.

Fourthly, parliamentary work in each of our own jurisdictions requires that Bill after Bill, statute after statute, a super-micro economic, social, and legalistic scrutiny of each disposition and article of "Le project de loi" be done by each MLA or MNA (member of the National Assembly). In doing so, we lose sight of a micro economic, social, legalistic, or good general common sense view of the system. Therefore, we think that a one-block public finance approach should correct this overall deficiency.

Fifthly, governmental controls exist everywhere, and certainly there is a definite need for better adapted and more productive techniques in that regard. We feel, rather, that accountability and imputability is not an isolated phase of the public finance process that should take place only at the end of the whole budgetary cycle, that is, when the budget has been adopted. Performance evaluation starts day one, with the extent of the mandate originally given to governmental officials by the letter of the statute.

We are of the opinion that the absence of definite financial limits in proposed Bills introduced in the various legislative assemblies creates extensive need for controls after the fact, exposed controls. Therefore, in order to correct the allocation of resource cycles, emphasis should be placed on the pre-enactment of laws and statutes rather than on the post-expenditure review.

What we are saying, in other words, is the following: the more precisely detailed and well-defined the authorizations, contents, and limits of a mandate, be it legally, economically, or financially, the less resources should be vowed to expose controls or controls after the fact. I shall be coming back to this specific aspect later in my intervention.

In conclusion, Quebec feels strongly that our new approach has brought us a step further in acquiring a more comprehensive understanding of all the bits and pieces of the applied theory of public choice.

Is the Quebéc city approach a workable system? The experience shows clearly a positive answer. Yes, it works, coupled with the rights to assign ministers, civil servants, president of Crown agencies, to request any pertinent documents, plus large and extensive powers of recommendation to the National Assembly. In addition, after each and every stage of the process, the standing CBA committee reports to the National Assembly, which takes into consideration the report, which is debatable only by a specific motion to that effect.

Is the Quebec CBA approach perfectable? The answer is yes. How? The avenues for Quebec to improve the new approach deals with the following subject matters. Firstly, learn to live with the new system in a non-partisan way. And I must report that, in my opinion, based upon the last session meetings of the Quebec CBA in late June of this year, with regards to the creation of a new department, Supply and Services, elimination of partisanry is achievable.

Secondly, research facilities and budget are limited to $25,000 yearly. And we of the Quebec delegation shall

certainly attempt to convince our fellow colleagues of the National Assembly that Newfoundland's $100,000 funding is more appropriate.

Thirdly, increase the percentage of our work into revising public accounts in the traditional way in order to attain a better control and equilibrium on all stages of the process, taking into account that already most of these efforts are focused on the prior phases.

Before concluding, I promised you earlier in my exposé, food for thought, aiming at obtaining improved control in the hands of the MLAs or MNAs. These views reflect, however, only my personal opinions, and do not constitute in any way whatsoever the official position of the Quebec CBA standing committee.

In my mind, there exists a definite need for profound reform of the law enactment process and that specifically from the outset. Imaginative and more adequate controls before the expenditure decision remains the basic guarantee that government officials, in interpreting and implementing programs and sub-programs, shall not exceed the intended limits of their mandate. Improved controls before legislative Acts should assure an improved government output and less strenuous efforts on controls after legislative Acts.

What measures could lead the way to that objective? Firstly, any proposed Bill in a Legislative Assembly should compulsorily include a schedule determining the financial and monetary costs for the public treasury for each and every article of the said Act, and that for the three first years of implementation of a new or amended program.

Secondly, any rule, by-law issuing from a statute creating or amending a program should equally be subject to the depose (tabling) of this schedule before the Legislative Assembly.

Thirdly, any proposed Bill, save and except matters of the utmost urgency, should be deposited in our respective legislative assemblies three to four months before proceeding with the third reading.

Fourthly, any proposed Bill requiring a new public expenditure should be sanctioned for a limited period of three years.

Fifthly, all parliamentary committees, who have jurisdiction over the field covered by proposed Bill, should be obliged to revise the entire program at the end of this three-year period. Once a revision is performed by the parliamentary commission, it should recommend to the responsible minister any adjustment, modification, or the *status quo*, as it sees appropriate in the circumstances.

Sixthly, during the three first years of implementation, the responsible minister should also deposit before the Legislative Assembly the same schedule in order to allow the MLAs or MNAs to follow adequately the evolution of the voted program but within the limits of its original conception.

All those suggestions aim at returning a basic control to MLAs or MNAs and increase the accountability and imputability of, not only government officials and civil servants, but also of the executive branch of government before the House. Too often are we asked to vote on nice words and recognized principles or virtue at the last minute without having a thorough knowledge of all the implications. Those recommendations shall certainly slow down the legislative process.

In my opinion, this is not a national evil, and a better preparation of the executive before presenting a Bill should ensure better government on the whole, based on the reasoning that the first and basic homework shall have been done correctly.

Some of you might be tempted to qualify those recommendations as dreamers' thoughts, but is not politics an eternal quest for improvement for betterness? And the key to evolution, is it not thinking, rethinking, imagining, re-imagining ways, means, and measures — ourselves and not anyone else — the bits and pieces of the system? Nobody else shall do that job for us.

In conclusion, the Quebec CBA system has undergone major changes, and I foresee that changes and evolution are definite signs of a political will to attempt to improve public finance in general in Quebec.

Is Quebec leaning towards the American system? In a certain sense, yes. We think any measure that we can import from the American system, having as a major goal to render the executive branch and government officials more accountable to the MLAs or MNAs, should be examined attentively.

Finally, Mr. Chairman, I hope that the preceding comments helped the members of the public accounts committees to understand the new Quebec orientation. On our part, we have highly appreciated the eighth annual conference and the seriousness of the all the delegations' interventions. We have learned, and as long as this continuous learning process shall exist, there shall be hope. Thank you, Mr. Chairman.

Mr. Chairman: — Thank you. I think there is a lot of meat for thought in the presentation. Certainly the system is different than most other provinces, and I think therefore it certainly has got my interest, and I suspect it has the interest of many others who are here. So I will open this portion of our session to questions and comments.

Mr. Webster: — Just as an introduction, I'm curious to learn how long your committee sits, the CBA committee. And in order to do the job you see the CBA committee doing, how long to you think it would be necessary to meet? And do you meet during session or out of session?

Mr. Belisle: — We meet during the sessions and also outside of the session term. The approximate amount of time that we envisage for this year, apart from the sittings during the session, would be approximately around 250 hours. That's the total and low.

Mr. Webster: — How many hours would that be? How many hours a day?

Mr. Belisle: — Well we start after the House sits, after the period of questions. It all depends. We can go very late at night, like it happened during the month of June and during the month of February. We sat almost eight days in a row in February of this year on only one law, one Bill. It had 250 articles. It was a fiscal Bill, and there was a lot of work to be done.

Now we sat three full days on the Bill that proposed the creation of the Department of Supply and Services. It was really a wonderful experience for the members of the commission to committee because it was non-partisan. There were major amendments to the proposed Bill, and it went in a beautiful atmosphere. I really wish that it would go like that for ever and ever.

I think the people have been learning to work together. This whole general aspect, when you have the same persons together around the same table, at first it may be rough during the first months, but then afterwards you get along very well. There's a good climate of work.

Mr. Lea: — I'm intrigued by one of the remarks made by Quebec. Is there a consensus around the fact that you should be taking a look at, or you are taking a look at maintaining some of the best parts of the British parliamentary system, however, also taking a look at the Republican system and trying to incorporate the best of those two systems into a more workable system? Did I read that correctly?

Mr. Belisle: — You read that correctly. There hasn't been an extensive debate or public debate over the fact that people might question the fact that we're moving from one end of the scale towards maybe a little bit more in the centre of the scale. Our intention is not going completely at the other extremity of the scale because there are major disadvantages with the American system. But we think that we can import very easily and incorporate in the British traditional system some concepts, some checks and balances procedures, in our system. There's no big debate over that.

Mr. Lea: — I like it personally, and I think that we should all be taking a look at that. However, what I find is that when you mention it in our province, there's a barrage of criticism against you. I don't think they really mean it, but it's a political charge they make against you. They talk about the merits of the British parliamentary system and we can't touch it and it's tradition. Is there any of that in Quebec?

Mr. Belisle: — No. It's my own personal opinion, again, is that the merits of any system is judged upon its results, and we have to look at the facts as they are. The system is close to being unmanageable, and we have to do something about it. Maybe they are dreamers' thoughts like I gave you, but we have to imagine those kinds of amendments, innovations. The suggestions that I made to you might be amended by your own thoughts within the next year, but we have to lean towards certain avenues.

I'm not suggesting to you people that you modify your working procedure, but I've been trying to explain this morning why we're at that level. You see, when the new government came into power this year, we were facing an important deficit problem. It was a very important problem, and we had to take care of it. And with the past systems you didn't have enough controls, so that's why they decided in 1984 to correct the whole procedure.

Mr. Blake: — Thank you, Mr. Chairman. I want to compliment Jean-Pierre for the excellent presentation he's made to us this morning. Referring to his last remarks, I'm pleased that they are taking some notice of their deficit. We have an enormous one in Manitoba. We think it's important. Some other people do not, however.

Tell me, what mandate do you have to call witnesses to your committee? Do you call in the civil servants, or do the cabinet ministers appear before your committee? What people do you interview and do you question in your CBA?

Mr. Belisle: — When we proceed to the study of the budget speech, like when I mentioned one of the articles, the Minister of Finance is present in the commission. When we investigate the budgetary estimates of the treasury board, the president of the treasury board is before us, in front of us — both parties, the government party and the opposition party — and questions are asked. And there's a possibility also for the minister to ask one of his civil servants or higher government officials to answer the question.

Presently in Crown corporation, if we decide that we're going to undergo the securities commission very soon, and the person heading the securities commission will be the witness, he's accountable to us and he has to be present to answer the questions. If we ask him for certain documents, like my colleague asks on various occasions for documents, there's a right to ask for documents and depose (tabling) of documents before the committee.

Mr. Blake: — Yes, Mr. Chairman, that would appear that your committee is functioning maybe better than some of our committees. It's most interesting that you're able to get that type of information and call in those witnesses. I'm going to have a good message I think, Mr. Chairman, to take back to my colleagues. There is enough flexibility in our mandate to start doing more of those things than the cursory process that we have been going through on public accounts.

Mr. Garon: — In 1984 it wasn't the division only of the public accounts committee, it was a division of all the parliamentary commissions. Instead of having, like before 1984 one parliamentary commission per ministry — like we had 25, 28 parliamentary commissions, one per ministry — now we have eight. So we have one about social affairs; all social affairs go there. And when there is one about education, and one about public institutions, one about labour and the economy, and one about budget and administration, that division has been made as a whole at the time, not for any other reason. So it's a new system.

You can't say yet that we will always operate exactly when the intentions are there, but there is a majority with the government, so you never know if it will be easy to look at some things. If the majority says no, it won't be possible. Access to information, we have a law about

access to information. But it's not so simple. I won.

I asked, for instance, a minister to have a legal opinion he had. He said no. I went to the court for access to information. I won. But now I have to go to the superior court because the minister doesn't accept that I got the information, so I go maybe to Supreme Court. I don't know, but that's an important point. If we win that point, that means that legal opinions given to ministers could be given as information, but that's a new system.

There are many hours and many things are divided — many budgets. To study a budget is one thing. To study different things at different points in time during the year, I think that's a global approach which is a good one. Now what we'll do from that approach with that now . . . it's so new. You know, as I said before, we had an election in '85, so it hasn't been applied very much until now, but even by the feel it will be good. But we'll see the next coming years.

Mr. Belisle: — I just want to mention, I think we should underline and stress the fact that in 1984 this whole global approach revision was unanimously adopted by the two parties, National Assembly — the Parti-Quebecois was then in power and the Quebec Liberal Party was then in opposition. And that's true what my colleague is saying, it's a real brand-new system. Up until the present time, it's been working; it's improving I think, and there are a lot of avenues that we can take with the system. And I'm very confident that with the recent experiences that we've had during the month of June, May, that we're coming to that goal, unachievable in the minds of many non-partisanry. We're close to that right now in certain commissions, and that's really an outstanding achievement if we can come to that.

Mr. Blake: — I just want to ask Mr. Garon, with this access of information Act, with his court proceedings, if he was able to find a good lawyer?

Mr. Garon: — I'm my own lawyer . . . (inaudible) . . . subject. You know it means if we can get legal opinions that the minister asks when he prepares the law, that it would be a very good access to information.

Mr. Katzman: — I'm partially confused on that last comment you made because I understand every law, before it can be assented to by the Lieutenant Governor, or whatever it's called in the province, must have a signed document by, normally, the Attorney General or that type of person stating the law is constitutional and several other things, otherwise the law will not become the law. Is that the kind of thing you're asking for, or are you asking for his legal opinion on the legalese that you had your problem with?

Mr. Belisle: — I think what Mr. Garon is referring to is with regard to the legalese on which he sees problems with the Act. There's another side of the coin to that, that you might have highly confidential matters within the legal opinion and whether or not your position is entitled to have that specifically that type of document is . . . Moreover when you take into account that my colleague is an attorney, sometimes you can do your own homework also at the same time, but that's an interesting question.

Now we don't have that type of legal document signed by the Attorney General before presentation for sanctioning of the law. But before there's a presentation of the proposed Bill to the ministers, united, as executed, there's legal opinion which says that we can go ahead with the proposal Bill in the Chambers.

Mr. Katzman: — Example: one of the committees I sit on within the government structure itself is the legislative committee which basically sees every law through drafting stage, through a preparation stage, and so forth, and has to be approved by us and the constitutional branch before it ever sees the light of the day of the House. In that case, even sometimes the government members struggle very hard on some information that some lawyers prefer not to produce to us, and it becomes, I would assume, the same in the House if the information cannot be disclosed publicly because of this or that. We had, for example, one of the Bills in the House that just hung up our House for several weeks, the Weyerhaeuser Bill. Some of the data that we saw on that would never see the House until every final "i" and "t" is crossed, and that held up our House for several days. Is that the kind of thing that you're looking for?

Mr. Belisle: — What we do, it's not before it's presented to the House that we work on it. The dots and the commas and article from article in a proposed Bill, that's done in committee after it's deposited in Chambers; that's the way we work at it. And there's nine members of the government on one side, and four members of the opposition on the other side, and they go each article by article, slowly, and they do their homework.

Mr. Katzman: — That is identical to what, I believe, our committee of the whole does, if I read you correctly.

Mr. Belisle: — From what I understood, you did that before it went to the House.

Mr. Katzman: — . . . (inaudible) . . . review does it on my special committee, and then the members do it in this House as committee of the whole. So I think you are pulling your committee of the whole on your legislation out of the Chamber to special committees to make it faster, and you may have four or five of those committees working. Am I understanding it?

Mr. Belisle: — That's it.

Mr. Chairman: — Maybe I can be of help. What Mr. Katzman is talking about is an internal government committee. It's members of their caucus — which I suspect many of us do or did — which studies the legislation, and then it gets to the House, as opposed to a standing committee of the legislature. I thought that might be of some help.

Mr. Belisle: — What I'm referring to: when I'm talking about a committee, I'm not talking about a caucus committee; I'm talking about a standing committee. And after the depose (tabling) of the proposed Bill, now the standing committee meets formally. And our transcripts, interventions, it might take days and days, and each law is

looked over. But before that procedure, before the Bill is introduced in the House, there is a committee on legislation which is under the jurisdiction of the Prime Minister's office, and they check all commas and the dots of the proposed Bill. But that's not enough with regards to the recommendations that I made earlier, in my mind.

Mr. Katzman: — The final comment or question. I assume you have the notice of the Bill, second reading of the Bill. You then take it to this committee, where in our House we do it in the House itself, and then you go third reading. Or do you introduce it, and then the committee of whole, and then bring it back to your House? You've got me confused. It's a procedure, I think, that is different from ours; that's why.

Mr. Belisle: — Well it's a little bit different, but I don't think it changes a lot in the final outcome of . . .

Mr. Katzman: — Except yours may be made more efficient because you may have five or six of them going simultaneously . . .

Mr. Belisle: — Well there's a limit of four committees that can sit at the same time during sessions, and . . . no, it's three during sessions and four outside of the session term.

Mr. Katzman: — So rather than having all the members tied up on one Bill, you can have three going through the system simultaneously.

Mr. Belisle: — That's it, and you still have the Chambers rolling.

A Member: — Can I just have a question to Mr. Garon on the same thing, and then . . .

Mr. Chairman: — He's on the same. Mr. Blake's on the same subject. Can you let him finish here since you had the floor before.

Mr. Blake: — Yes. I just want to get back to the situation Mr. Garon was in on. Would that be similar to what the Auditor General in Ottawa is going through now with the Petrofina thing? He's asking for documents; they're considering them confidential; and there's some debate whether he gets a look at those documents that he wants or not. Your case is not similar to that?

Mr. Garon: — No. I was referring to a decree, a situation where there was a law. A decree had already been adopted and put in effect when the law was not adopted, but the law will be retroactive. I think that was the first case ever seen in law, or something like that. So we asked about the legality because we knew that there was restriction by the lawyers themselves about the Bill doing things like that, you know. But it was very special; it was very specific; it wasn't something very common.

Mr. Chairman: — Okay, thank you. Sorry to keep you waiting.

Mr. Richard: — Thank you, Mr. Chairman. Actually it was on the same question. If Mr. Garon could clarify: when you were successful in the court in getting the document, the legal opinion you wanted, was that because of the access to information Act as a right as a citizen under that legislation, as opposed to your right as an MNA in your functioning in the committee, I take it? Was it specifically because of your access to information Act that you were successful in court?

Mr. Garon: — No, I didn't. It's a commission to apply the law for access to information. It's not a common court; it's an administrative court. But the Ministry of Revenue said that I shouldn't have that information, and they said that commission should have given me the right to get this information, so they went to the court, who can see if an administrative commission is doing things . . . (inaudible) . . . or not.

But the first decision made by that commission, saying if you have access or not, said yes; otherwise, it's like that ministry was an exception and he wasn't under the jurisdiction of that law. So now would it go in front of the court, and the court will say if the commission was right when they said, you know, you have the right to get that information.

But that's a very important point because that's a . . . (inaudible) . . . opinion to a minister when he's preparing a Bill.

Mr. Chairman: — Mr. Belisle, did you want to get in? No Mr. Richard, are you done? Are there others?

Mr. Baker: — Yes, I was going to say that the more I listen, the more I realize that public accounts committees have to operate, obviously, in the structure of their legislature, and therefore you can really have no consistent approach, from the point of view of public accounts committees, because the legislatures are so very different.

I was wondering, are there any time constraints on the committee examination you were talking about? Like, is it possible to hang Bills up for ever?

Yes, I'm thinking in terms of tactics, because one of the things in our system is that government at certain times finds it advantageous to simply give first reading of a Bill — and all you get there is the title — and then we never ever received the actual document itself until immediately as it's introduced into second reading committee, and then we never have time to look at it and so on. Normally this is done towards the end of the session. You know, you use the Bills in terms of a legislative strategy, government does. What about the time limits, and so on, and the technique for getting these things through?

Mr. Belisle: — We don't play that game of hide-and-seek, definitely not. People from the opposition get the proposed Bills; they have time to study. There's also always the dealing between the two whips of the two parties for the amounts of time when there's a second reading, when there's the study in the standing committees, so there's always some kind of negotiation going around. If the opposition needs more time, they get more time, and it's a give-and-take procedure.

But on the whole, if I might give you an example, my colleague sitting on my left-hand side right now was the

critic for the opposition on a Bill that . . . well it took us seven or eight days in February before the CBA standing committee.

A Member: — Two weeks.

Mr. Belisle: — Two weeks.

A Member: — Three weeks.

Mr. Belisle: — Three weeks. And we stood there and listened to his bright remarks and their interesting questions, and tried to answer his interesting questions. That's part of the game; we accept it.

But I find personally, I'm telling you, more and more, with the last meetings that we've had, that that whole lengthy procedure of wasting time to waste time, just to create problems to the government, it's going to be eliminated within the — well it's starting, it's starting — it's going to be eliminated drastically.

And the number of hours. There are a number of hours only with regards to the budget speech, right? It's 10 hours, I think, on the budget speech before the standing committee. That's it.

Mr. Garon: — Merci. Bonjour. About all the time the Bill, project of law, is reported at the first reading almost all the time. And very often — I don't say it's common, I don't say it's a matter of routine — but often the by-laws can be reported a few days after, because often the meat in the Bill, in the law, is in the by-law. So I have seen that we ask for the by-laws. Oh, I always asked when I was in the government for the by-laws when studying the Bill because there is more in the by-laws than in the Bill. And instead the majority of the time is going toward that tendency to more often, more and more often, when you reported the Bill at first reading, in a few days after that you give a projected — even if they are not the by-laws that would be adopted by the government later on, but the projected by-laws — so you can see where it's going, you know.

Otherwise sometimes you have the principle in the Bill, but all the meat is really in the by-laws. There is less tendency to hide . . . more and more over the last years to give more information about the Bill, or after the Bills have been deposited (tabled), not often but more often, to people to come in front of the parliamentary commission to give their opinion on the Bill or make recommendations, and after that go with studies to the parliamentary commission about the Bill, section by section.

Mr. Chairman: — Thank you. Our time runs on. If I may be permitted to ask the last question. The powers of your committee are such that you cannot act on your own. You can make recommendations to your Assembly ultimately. That's still maintained? Thank you.

Mr. Garon: — There are conditions when we study a Bill. The minister in charge of the Bill is, for his Bill, part of the commission. So if there is an amendment needs to come from the government, normally he would have his authorization to bring the amendment. Sometimes when the discussion will go on, realizing some things should be changed, we'll put aside the section for the time necessary when he goes to get his authorization and come back with an amendment.

Mr. Chairman: — Okay. I'll wrap this up. Thank you, Mr. Belisle. I think that there is obviously, as in other presentations, a lot of food for thought. The one comment also that has been made which I thought was relevant is that many of our legislatures are not the same. We pick up ideas from others and then we have to adjust to ours. Obviously in Quebec you have taken a route that's working well for you. But nevertheless, I've already asked Craig to make sure that I get a copy of all the information you have because I want to take a look at it.

Did you have any concluding comments that you wanted to make, Mr. Belisle?

Mr. Belisle: — The only concluding comments, Mr. Chairman, is that it's a continuous learning process for every one of us, and we have to do our basic homework to think, re-think, imagine, re-imagine, invent, re-invent, from day to day, all the bits and pieces. That's it; that's the name of the game.

Mr. Chairman: — One last one from Mr. Garon. Then we'll go to the Yukon.

Mr. Garon: — I say one of the main reasons behind that reform was because I think in the parliament of Quebec, 122 members of parliament, we have between 25 and 28 cabinet ministers. That left us with 95 members of parliament who didn't want to be rubber stamps. During the years of '77, '78, '79, '80, '81, there was a lot of doubts between the parliamentary themselves, members of parliament who were not ministers, saying, we have more to say. And I think all the reform behind that is to give the members of parliament who are not ministers more to say. And I think what Mr. Belisle would talk about, the global reform, it will depend on the parliamentary people themselves. Even if they will achieve the objective, be in all that reform to give more powers to the parliamentary people so they can check the management, they can check it at the different period of time for different purposes, and to give more control to the National Assembly.

And that's the real objective, but it will depend how partisan . . . to be more partisan than parliamentary people, and we will see within a few years from now if the objective is obtained, but that behind the whole thing is to give more powers to parliamentary people over the management of the administration of government.

Mr. Chairman: — Thank you. I will call now, the last item before other business, on the Yukon to make their presentation.

Mr. McLachlan: — Thank you, Mr. Chairman. What we in Yukon have chosen to do this morning, instead of telling you how our committee works, the particular mechanics of it, we have chosen to develop a particular tool or instrument that we find very special to our committee, and one that we hope will be of interest, especially perhaps in the case of the new public accounts

committee chairmen from Alberta, P.E.I., and Newfoundland.

We have titled our paper this morning "Developing Performance Measurement Indicators in Yukon, or Watching the Mountains Grow." And I might add that near the end of my paper we will have distributed some further information which is a background paper which outlines perhaps some more information that would just tend to drag my dissertation out, but which will be of interest for some particular further related mechanics to this paper which we are presenting this morning.

A Toronto, Ontario, headline in the *Globe and Mail* related recently about: "Ontario government workers being spied upon, a union president charged recently." And as this was the type of headline that tended to grab attention, I read the accompanying article and found that it dealt with performance measurement. The article went on as follows:

> The Ontario government is spying on hundreds of its employees by electronically monitoring their performance on their job, the Ontario public service employees' union had charged. The union president said that data entry operators and clerks working on telephones were increasingly being monitored by computers that measure their productivity, including the amount of time they spend away from their terminals. The computers count keystrokes, time phone calls, and note time spent away from keyboards and switchboards for a chat with a co-workers or a visit to the washroom.
>
> The union said the practice, which affects at least 500 public servants in Ontario, violates the spirit of Canadian and Ontario human rights legislation by invading privacy and insulting dignity.

This got me thinking about our Yukon public accounts committee and the problem that it has had over the years getting the bureaucracy to show any interest in performance measurement indicators, not an individual type of performance measurement found in the Ontario example, but, rather, indicators that were related to programs and activities.

We had decided to do something on the topic of the performance measurement indicators back in March because it has become a topic very dear and very concerned to our hearts over many years. The committee that is represented here in Regina, or at least those of us who were able to come for this meeting, is relatively young or, should I say, new. It was only appointed in July of 1985, about the time that many of you were in Whitehorse last year, but our predecessors were asking the bureaucracy back in 1981 to bring forward performance measurement indicators.

Fortunately I have to report that the committee seemed often to be beating its collective head against a brick wall over the years, and that the bureaucrats often dredged up every conceivable and half-baked excuse not to develop and implement such indicators. For example, the court services branch of the Department of Justice believed that if the lawyers and the public weren't happy with the services that they were providing, they would call and give them hell, and they concluded simply that because the telephone wasn't ringing off the hook, they must be doing a good job. I would suggest to all of you present here that that's rather a left-handed approach to measurement of their type of the work that they were doing. We weren't impressed.

We strongly believe that the introduction of easy-to-understand, meaningful performance indicators is important as a basic management tool, as a means of providing the elected members with some of the information they require to assess budgetary requirements and achievements. Information produced by performance-measurement systems is of great value in resource allocation, not only because it provides data on past and present levels of performance, but it also is a guide for assessing future requirements.

It is well for you to ask: how is performance to be measured when there is such a diversity of programs and operations? The process is actually quite systematic and straightforward, at least according to some federal treasury board regulations that have been laid down on the subject. Our committee doesn't find it all that simple, but we do know that the bureaucracy has to have some way of measuring its performance in order to justify increasing numbers of dollars requested each year.

Being concerned citizens and taxpayers, individual members of our committee have pressed over the years for some indication that bureaucrats are responding to this call for a direct accounting of their performance. As many of you know, it's not easy getting bureaucracy to move.

Back in the early '80s, members of our public accounts committee began by assuming that managers knew their departments, knew why they did certain things, and that all departmental activities related to their objectives, and that departmental activities did relate to their objectives. However, as questions were asked during our formal hearings, which take place over a two-week period annually, it became evident that these managers did not know very much at all about these sorts of things. It was, indeed, disconcerting.

I come from a small-business background. When I was appointed to the committee a year ago, I envisioned the committee working on a number of things that I would relate from the practical world of small business. I knew what resources were available to me to accomplish a specific objective and task, within a certain period of time, with a desired end result. But the more and more that I became interested or involved in the hearings from last January and February, I began to wonder if departmental managers even seemed to use these most basic tools in determining what they had to do.

To illustrate, I want to take a look at one of our particular departments, which I'm sure many of you have in your governments, or something similar — the Department of Economic Development. Each year our committee chooses two or three of these for an in-depth review of their activities, and in 1984 our predecessors had called

Economic Development for such a grilling.

One can assume that the strength of the Department of Economic Development lies very inherently in its human resources and the allocation of same. The management of that resource is of very, very crucial importance. The deputy minister of the day indicated that the human resources were managed on what could best be called an *ad hoc* basis, in that requests from the department minister in cabinet who responded to as they came up. The department did what it believed was its best with existing resources. The department did as it was asked, when asked, and didn't bother to try to priorize projects or to determine ballpark cost estimates.

At the conclusion of whatever studies were completed, the department didn't attempt to reconcile budgeted figures with reality. This is all well and good if your resources are unlimited, which we all know they likely aren't. The committee of the day developed a deeper and bigger frown as the deputy minister seemed to dig himself in deeper and deeper with his testimony.

A fundamental principle of the human resource management is to establish clear goals and objectives against which the performance can be measured. It's fundamental for the managers to plan, in management, their activities before they commence projects. It's all the more essential to plan properly and to set goals in an area like economic development, as the extent of the research activities, the depth of the studies that are undertaken, or the sheer volume of position papers can vary greatly if it isn't properly budgeted for and controlled.

If this is not the case, the following scenario, I would like to suggest to you, often happens. One, there is no assurance that the government is getting value for its money from the department's resources. Two, there is no assurance that these resources aren't being wasted on projects for which there's no cost benefit. Three, unless these activities are quantified and costed, there's no support in substance for the resources that are requested in the estimates. And as politicians know, we then, number four, have no assurance that the resources are being utilized with due regard to economy and efficiency, because there's no performance indicators of any dimension in this existence.

The committee of the day gave the department a very strong slap on the wrist by deploring their lack of regard for such principles and sent the committee back with the following recommendation which I quote verbatim. This appears in our annual report.

> The department should immediately take proper measures to develop and implement the necessary management processes in order to control better its resources, to establish performance indicators, and to be accountable for the the management of its human resources in the conduct of various projects for which it is responsible.
>
> Further, the department should include in its estimates document, whenever possible, planned activities supported by performance indicators justifying its request for funds in order to create a base for future accountability.

Believe it or not, when our predecessors followed up on the status of these recommendations the following year, they were told by the same deputy minister that no action had been taken on the recommendations. Put bluntly, he had ignored the politicians completely because he said the Department of Finance had by that time established a committee on program evaluation. And the Department of Economic Development and, as it subsequently turned out, every other department, was waiting for that committee to give it direction. They seemed to be hiding behind the performance evaluation committee.

We thought little of this reaction and were singularly unimpressed by the complete lack of action over the previous year, and we told them so. When the members of the newly appointed committee were deliberating about which departments to subsequently call for 1986, it became evident that each of us, all five on the committee, wanted to recall Economic Development in light of its total disregard for the former public accounts committee's recommendations which, I might add, had been concurred in by the government of the day.

We decided to get to the bottom of the excuse making. It had gone on too long. January of this year we again called Economic Development for a major review. This in itself was remarkable because it would have made the third year running that Economic Development was called before the committee, a process that would normally take place, recalls, perhaps twice in five years.

Back at the ranch, a new deputy minister was now in the saddle; as we would subsequently discover, he had gained what appeared to be a very effective control of the reins. We were impressed with what he had to say, but we will make sure that he translates these words into deeds and effective action. But in the Yukon, a committee of five, we are just small enough to be able to do that.

But we are losing patience with some of the other departments. They seem to be unwilling to start slow, start with something simple. That's all we are asking for, for a starting point. We do not need to get excuse after excuse. We, as committee members, don't feel that we're asking for the impossible. All we want is some basic planning, evaluation, and control tools. Surely that is not an unreasonable request.

If all is as it seems — not always the case in politics — it would appear from the debate on our report in the House that our government leader, Mr. Tony Penikett, agrees with us, as I guess he should, in that he was chairman of the public accounts committee for a number of years, 1979 until 1985, and he alone did a large part in initiating the push for performance measurement. He gave us assurances in his response to our report this year in the House that he is in total accord with our ideas on performance measurement indicators.

As a further proof of that commitment, the government has issued a public tender call for a project concerned with the review of performance indicators currently used by six selected programs in the government, development of more accurate indicators as required,

and evaluation of the selected programs against the application of the indicators to the overall objectives of the program. We have done something in that we have got the head man, the government leader, to listen to us and to promise action. But the message that is being served is clear to Yukon bureaucrats, because we intend to make sure that the inertia and the excuses are out, and that performance and the measurement of it is in. Thank you.

I would like to throw out those ideas presented to perhaps some of the other public accounts committee chairmen who have been here for longer periods of time — such as Manitoba and Saskatchewan, I know — to hear to what their reaction is — and Canada — to hear what their reaction is to the type of tool, or that type of evaluation used for measurements of bureaucrats.

Mr. Montagano: — Thank you, Mr. Chairman. On behalf of my chairman, who's having a coffee at the moment, I would like to tell the members of the council that are here that in the Northwest Territories we have also taken a step towards what they're calling program performance measurement systems. It was not to my knowledge prompted by the public accounts committee, but was started under the direction of the Executive Council.

A pilot project was started with the Department of Social Services to develop an entire evaluation system for their department including performance indicators that were measureable. And while that's not fully implemented now, the model that they designed has been distributed to all government departments. They were required to have an interim plan of performance measurement in to the analyst that has been assigned by our Executive Council to monitor the entire program at April 1st of this year.

Through the course of this year those plans will be refined and developed. In some instances, like the Department of Finance, they're attempting to work under the performance measurement system which they designed as a test, and all departments are expected to be fully implemented in a performance measurement system by April of '87. At that time the public accounts committee and the Executive Council will hopefully be able to have an additional tool for examination in committee of the performance of departments. At this time we aren't able to say how good those plans are, how well they've been developed, and at what point they are, but by April of '87 we expect to be able, as in the Yukon, to start evaluating departments much as you do an employee with performance appraisals.

Mr. Chairman: — Thank you. It's open for discussion and questions.

Mr. McLachlan: — Yes, I would like to suggest to people present here that we do not as a committee recommend to a particular department what type of performance measurement indicators they should be using. We feel that would be intrusion by our part on their particular departments. But what we certainly want to do is to provide the impetus and the push to them to suggest that they get on their horses and get something in place that allows them to effectively measure, have some system of measurement of the programs or the policies or the studies that are being taken. Because if you don't, and it takes five days to complete a study on something, where perhaps it should have taken three, how do you really know? How do you tell? How do you know that you're getting something back out of the people doing the job?

Mr. Chairman: — Do I have anyone else who would like to ask a question or raise a point? If not, we are just about at coffee-break time. Did you want to make any concluding remarks, Yukon?

Mr. McLachlan: — What I would like to say: the background paper which has been distributed to you, if you wish to get a further clarification of some of the mechanics that go into this, on page 1, two-thirds of the way down the page are the guide-lines that federal treasury board uses in their determination of some of the things that should go into performance measurement indicators. There's a list there from (a) to (h), and I would suggest to all the members present, please read that and try to get a further idea of what goes into some of the basis for the performance measurement indicators that we use, that we try to develop in the Yukon. Thank you.

Mr. Chairman: — Thank you for your presentation, Yukon. As you have indicated, if there are further questions or points of clarification people would like, they can refer to yourselves during the day or make contact at another time. It is now our normal break time, so we shall do that. I will adjourn.

I will mention that when you return I think that you will find the pictures, which we took on the first day, on your desks. They have been developed and are ready and, in fact, look quite good. So they will be on your desks for you to have. Thank you.

Recessed

Mr. Chairman: — Now that my Clerk has returned, we will call the meeting to order. I'd like to welcome the senior member from the Northwest Territories, at the request of Mr. Richard. I understand he was preparing this morning for the golf game so that he can do a good job.

We are now on the final item of our agenda which is, according to what the agenda states, the council business session dealing with the business of the council other than business of public accounts committees *per se*. Does everybody have a copy of this agenda?

A Member: — Yes.

Mr. Chairman: — You have a copy of this agenda, I understand, and I will lead us through it. I've tried to brief myself as best I can. I will lean to my left here to Mr. James from time to time to help me out, and also to you as members of the council to assist me as well. We'll try to get through this, take all the time we need, but as expeditiously as we can.

The first item is dealing with what I raised first off on the first day on the first morning of our sessions, and that is the question of simultaneous translation services. I was disappointed we didn't have it. I was pleased that they had it yesterday at the Hotel Saskatchewan, and I'm not

sure why we weren't able to get it here as well, but hopefully in future we can rectify it.

There is a proposal here for a motion to adopt in principle the provision of simultaneous translation services at future council meetings, and also for a resolution to the Prime Minister with respect to that. So with those few remarks I will open up the discussion on this subject.

Mr. Katzman: — Mr. Chairman, I would assume the automatic motion should be placed in the record, saying that the letter be written and "where feasible." And they hate to put the word "feasible" on the line, but occasionally I assume it would be almost impossible to get simultaneous translation because of bodies or because of expense. And I think we must keep that in mind, even though we really don't want to, truthfully. But occasionally, as I saw last night, the Regina university, I guess, did some of the help to the one the auditors have, and we weren't quite quick enough.

So I'd move your motion if you're requesting a mover. But I also understand common sense says occasionally you will run into problems, but we shouldn't, if possible.

Mr. Chairman: — We have a motion. Monsieur Garon.

Mr. Garon: — I would like to say that yesterday the translation by the University of Saskatchewan was very good. I have attended federal parliamentary conferences during 10 years, and I am telling you that was one of the best translations I ever had in the last 10 years. So I'd like if . . . I don't know who did the job, but it was very well done, the translation.

Mr. Chairman: — Thank you. I will pass that on to the people responsible. It's from the bilingual centre at the University of Regina, and apparently they do an exceptionally good job. That's good to hear.

Mr. Blake: — From strictly a selfish and personal point of view, Mr. Chairman, I trust that we will have it next year when we meet in Quebec. My French is very, very poor.

Mr. Chairman: — Yes. I think that cuts both ways. And I think, the nature of this country being what it is, that's a great asset to us, that it's important that those kinds of services be made available. I feel, as an individual, quite strongly about that.

Mr. Katzman, from Saskatchewan, has moved the motion that we do indicate that we want the provision of simultaneous translation services and that we send the resolution, in the form that Mr. Katzman has suggested, to the Prime Minister, indicating that. Do I have any other comments or questions about that?

Mr. Richard: — Mr. Chairman, my only question would be the reference to sending a letter or something to the federal government. I hope it doesn't mean that if there's a negative response that there will not be simultaneous translation because I think we should agree that we're going to do it.

And if, for some reason, the federal government is not prepared to underwrite it, the host jurisdiction, I think, should be responsible for it, just with the other administration of hosting. So I would hope it doesn't mean that we're going to send a letter to Mr. Mulroney and, if there's a negative response, this time next year or two years from now we're going to be without translation for some of our members. Thank you.

Mr. Chairman: — Thank you for raising that. As I understand it, the motion is the form of two parts: one, that we talk about the principle of the provision of simultaneous translation services as a principle which we will try to now provide, whatever means we must use; and also, secondly, that we do the resolution and the indication to the Prime Minister.

That's the way I understand it, and I sort of put that on the record so that when we vote on it, I assume, therefore, everybody else will take it in that context.

If there is no further discussion, is there agreement on Mr. Katzman's motion? Okay. I see no detractions, so we will agree that that be done.

Item number 2 deals with the matter of the council lapel pin, and there's a preliminary design work that has been undertaken. In your agenda booklet you will find on the second page . . . I'm sorry, the second information circular — and you would have received this some time before — there is a photo of the lapel pin, which has on it a beaver CCPAC Canada, 1979. I assume that that's when it was founded. I should have known that. Any discussion on that?

A Member: — Could you send that around. I think most of us don't have it.

Mr. Chairman: — Okay, I was afraid of that. We'll just send it around and give you some time to take a look at it if you have forgotten what it was. I'm told it was discussed at the Montreal executive meeting which was held in Quebec city; it was held in March. As I said, I have briefed myself a little bit but don't know all of the details here. Yes, Nova Scotia, did you . . .

Mr. Archibald: — My feeling at that time, and it's still the same, we are rapidly becoming a nation of lapel pins. I don't mind if we don't have one. If people want one, that's fine with me. I have no great desire to have another lapel pin. Thank you.

Mr. Chairman: — Well that's another thing we have to consider. What would be the cost and who would bear the costs and the distribution? That's one thing we want to consider, and that's why I think your point is well taken. Mr. Blake, Manitoba.

Mr. Blake: — You realize, Mr. Chairman, we'll have to have them made in Hong Kong if we decide to go for it.

Mr. Chairman: — What is your wish?

A Member: — I haven't seen it yet.

Mr. Chairman: — I'm sorry, it has not been around. We'll wait for a few moments.

Mr. Katzman: — I guess, being a button-collector and a pin-collector, I would disagree with Nova Scotia. But that's not really what I'm trying to say. What I'm trying to say is, I totally disagree with the design — totally. I do not believe we should be wearing the Canadian nickel on our lapel pin.

If we are going to be parliamentarians, then the parliamentarian's normal sheaf is the mace. In the federal pin, which is their security number and their pin which allows them access to all over the Chambers of Canada and through the buildings without security checks, their mace with their round is the indication who they are and qualifies them for things. Our mace — in Saskatchewan — pin does the same for us.

If the intent is to distinguish a very special club, for lack of a better word — those who are elected to the House of Commons, or those who are elected to a Chamber of a House — the pin shows that you are a very select group of individuals and have qualified, and you wear the pin as a symbol and a security number to get through places. If it is intended to be used for that purpose, I have no argument. If it is intended to just be another pin, then I do have an argument against it.

Mr. Chairman: — I would like to make a suggestion. Let us first discuss whether indeed we want or need a pin, okay? I think we need to establish that first. Having established that one way or the other, we'll then know whether we need to discuss the design of it.

So I will restrict the discussion to the concept of: do we at this time need to be developing a pin? The executive did consider it. It's really up to you to instruct the executive on what your wishes are. That's the question that I put forward. Yes, Newfoundland.

Mr. Baker: — I assume you're going around getting opinions. Okay. I don't really have any pressing need for a pin, and I don't see any pressing need for the group to have a pin.

Ms. Nicholson: — I don't see any particular need to have a pin.

Mr. Chairman: — This is going well. Mr. Belisle.

Mr. Belisle: — It is the opinion of the Quebec delegation that there is no urgent need for a pin.

Mr. Chairman: — And I assume that was Nova Scotia's view? Prince Edward Island.

Mr. MacPherson: — No, I can't see any pressing need for a pin at all.

A Member: — How about a baseball hat?

Mr. Chairman: — T-shirts.

Mr. McLachlan: — Mr. Chairman, we in the Yukon do not see at the moment a pressing need for that. If that becomes a priority or an urgent item for public accounts committees from 1987 on, fine. But the opinion from us and others, as I gather at this point in 1986, it seems to be that it's not an urgent matter right now.

Mr. Chairman: — I am rapidly arriving at a consensus. This is very efficient. Alberta.

Mr. Pashak: — Well I think the prior question is really: who is going to pay for it? And if somebody wants to volunteer to develop a pin for us and bring that forward as a proposal, I think probably the group would change its mind and probably accept it. But I think that's the way it would have to come, isn't it?

Mr. McLachlan: — At some point somebody probably had to ask for one in order to initiate the discussion or the procedure to where it's gone to that point. Who did? When did that take place? Under what circumstances?

Mr. Chairman: — I did not know this. But I am able to report on advice that the original idea came from Saskatchewan, and I immediately underline that it was not my idea. But that's where it came from apparently, I'm told.

I think from the numbers who have spoken I get the consensus — unless others want to get into it — I've got the signal that there is no great priority need for a pin at this time, and so I think I will consider that to be a consensus of this council. So until a further request comes and a consideration given, we'll drop that at this time. Is that agreed? Thank you.

Now we move on to what is an important matter, and that is the question of the constitution of our council. You have the March 22, 1986 minutes of the executive meeting taking place at Quebec. And there are some changes proposed to the constitution which I would like you to address yourself to at this time. As I have it here, it is suggested that there be an amendment to section 3. As I understand it, the amendment would simply add to the end of the existing section 3. Okay, there's a new section that is being proposed. Do you all have it before you?

I open up the discussion. Maybe I'll just read it in case some people don't have theirs handy:

> Membership on the council is open to legislators who are members of all Canadian public accounts committees or of similar legislative committees scrutinizing public spending, and to committee clerks.

As I understand, committee clerks were not part of the previous section 3. So that's one of the substantive changes. And this is the recommendation of the executive. Yes, Newfoundland.

Mr. Baker: — I was wondering if we could add to that, seeing we're formally putting the clerks there, what about the research assistants? And I notice there are some committees that have research assistants, and our research person is here with us today and has been attending meetings for years. I'm wondering if we could include that as well.

Mr. Chairman: — I will take that as a motion from Newfoundland, and that now is open for discussion as

well.

Mr. Katzman: — Mr. Chairman, would you enlighten me? I was reading and I apologize. What are we suggesting about researchers?

Mr. Chairman: — It is being suggested by Newfoundland that research assistants or the researchers be allowed to be part of the council in the same way as the clerks are being proposed to be a part of the council. That is the suggestion.

Mr. Katzman: — I ask for clarification, to Newfoundland. In some administrations they are assigned to you. In other administrations they are assigned to the library, and you may use two or three of them over a period of time. How do you handle that problem?

Mr. Baker: — Yes, we don't have that problem in the sense that we have one full-time research assistant, and I guess that's different from other jurisdictions, totally.

Mr. Katzman: — Mr. Chairman, my question really becomes: how would you do it in other areas who don't assign a specific? Does that mean that when we travel to your meeting, we choose who we take and he will be recognized?

Mr. Baker: — I was simply trying to make provision for our research assistant. I don t know if there was some wording that would make it possible to bring some other individual that sits as part of the public accounts committee because he does sit as part of the public accounts committee in an advisory capacity.

Mr. Katzman: — I'll make my point. Mr. Gerry Kraus sat in the back the first three days — he's from the Revenue, Supply department — and let us assume we wanted to take him. We don't have researchers, but he is an aid to the committee all through accounts; he sits there, assists the committee, the same as the auditor assists the committee. So he has no way of getting the knowledge that we discuss because he is not on the auditor's team; he is not on our team, officially. But if we chose, because we were taking nobody else but our clerk, and said, Gerry, you can come along and gain some knowledge — not speak — but gain knowledge that will help the committee, you would accept that kind of person?

A Member: — Yes, right on.

Mr. Katzman: — Okay, that makes sense.

Mr. Chairman: — The point that I would add to what Mr. Katzman is saying is that these people would not be part of the vote of public accounts committees, and that may present a problem. And I simply flag that for the council to consider.

Mr. McCallum: — Thank you, Mr. Chairman. I would expect that because of no. 4 that the next particular clause of the constitution that allows meetings to be open to legislators and staff of the public accounts committee, I would wonder why we want to include in the committee itself not only the clerks but the research people. Those people are welcome to come; they're coming to meetings regardless. I think whether we have a public accounts committee, or a Canadian council, I think it should simply be made up of members who are in particular legislations who are actually members of a public accounts committee, or a similar one. Because of the provision for no. 4 that allows jurisdictions to bring a clerk or a research person, that should suffice having those people included. I don't see where it's necessary to include either one in the actual council.

Mr. Chairman: — I see your point.

Mr. Baker: — I was going to say that I think that Northwest Territories is perfectly correct. I thought there was a change here to make the clerks as members of the committee. Seeing — in the voting procedure isn't it — that there's one vote per chairman, or something, so it doesn't affect the voting pattern anyway. So why was the change in the first place then?

Mr. Chairman: — I will have to ask for assistance on that. Apparently, I'm told, it was recommended by Mr. Shillington to the executive meeting, and the executive considered it and recommended it. If I may, while I have the floor, refer you to section 4 of the constitution. In section 4 maybe what we're trying to achieve is already achieved in that it states that:

> The council shall meet annually with the meetings open to legislators and staff of the public accounts committees.

I'm not sure whether that already does not accomplish what we're trying to accomplish with this proposal. So, therefore, I ask: how do you wish for us to dispose of this recommendation from the executive?

Ms. Nicholson: — People can vote against it if they don't wish to adopt it.

Mr. Chairman: — Okay. Is there any further discussion?

Mr. Blake: — Mr. Chairman, just in support of Newfoundland, as long as they have access to our conferences, in the event that the clerk from New Brunswick is not available, we use Mr. Porter for scouting purposes, and he does an excellent job.

Mr. Chairman: — I should have been around at the evening functions longer. Okay, hearing no other comments, is that okay with Newfoundland with my reference to — you know what I'm saying — with section 4?

Okay, I shall ask, therefore, the members of the council to indicate by show of hand whether you agree with the recommended change to section 3 of the constitution. Those who agree please raise your hand. Those who do not agree. Thank you, it stays the same; we do not change section 3.

I see that the Chair is not being challenged, as we do often with the Speaker, so I will proceed. The next recommendation is in section 6(b). It is amended to read:

> The board of directors shall meet once yearly

between the annual meeting.

The former section referred to two meetings between annual meetings. I think maybe what I should have been asking, rather than proceeding so quickly, is ask if anyone who was on the executive when this was discussed has any comments on the recommendation. Who is on there? Who is on the executive?

Mr. Katzman: — I listened to your words and I would suggest that the word "should meet" or "shall meet," or something should be placed in that type of motion saying they must meet once a year if they . . . Okay.

Mr. Chairman: — It says "the board of directors shall meet once a year." That does not mean that they cannot meet more than once a year, but they must meet at least once a year. That's the interpretation that I see put on it.

Mr. Katzman: — But the words "may" and "shall" have to . . . (inaudible) . . .

Mr. Chairman: — Indeed they do. Right. Do I hear any discussion? If not, I will place it to a vote?

Mr. McLachlan: — Coming from the other end of the country, from a small jurisdiction, there may be times when we may — if the occasion presents itself and that a Yukon member is on the executive — may find trouble getting to a meeting. And our suggestion was the controversy, or the converse of Ralph's, in that we would be suggesting that the board of directors may meet once yearly between the annual meeting, the idea being there may be nothing for discussion. Subsequently, you may also do it by a telephone conference call instead of physically meeting.

Mr. Katzman: — I spent 10 years as Canadian quarter horse president, and we had many an annual meeting over the telephone, and it works very successfully. When you consider the cost of travelling and the cost time-wise, a telephone meeting is v•y, very efficient, and I think I would be in favour of adding that as considered a meeting — a conference call could be considered a meeting.

Mr. Chairman: — I do not think that the clause, as it is proposed, precludes that. I think a conference call can be considered a meeting for the purposes of the clause here. Now I'm no great authority on it, but it seems to me that that would be quite appropriate, and if anyone disagrees, please say so.

Mr. Blake: — I would read that into it, Mr. Chairman. I think that would constitute a meeting without any challenge from any quarter.

Mr. Chairman: — Okay, I will put it to a vote then that this the recommendation of the executive, and it's really saying that you don't have to meet twice a year as the previous constitutional section recommended, and I should probably not be making comments for or against, and so I won't.

Those who favour the recommendation, understanding that a meeting by telephone conference call will constitute a meeting — and I put that for the purposes of putting it on the record so that everybody is clear on what that means — so those who are in favour of the amendment to section 6(b) so indicate by a raise of hand?

The amendment says:

> The board of directors shall meet once yearly between the annual meeting.

Are you voting or do you want to speak? For those in favour raise your hand please? Those opposed? I see that the majority is in favour, and so the amendment therefore is approved by the council as recommended by the executive.

The next item is an amendment to section 6(c), and it is amended to read:

> Whenever possible, the committee clerk of the jurisdiction in which the annual meeting is to be held shall be secretary to the board of directors.

That is what your executive has proposed to be in the new section 6(c). You probably are familiar with the former provision, so I won't go into it unless requested to. Is there any discussion?

Mr. McCallum: — Just a question, Mr. Chairman. Need it be the committee clerk? Could it be any other staff? I know it's specific here, but rarely do we take a committee clerk to these meetings involved. I don't have anything against committee clerks, but we have had a researcher do most of the work in terms of our committee. I'm not suggesting that I'd have any difficulty with a committee clerk, but I would like to see that it could be any other staff member.

Mr. Chairman: — Do I have a . . .

Ms. Nicholson: — Mr. Chairman, as you read the motion I think you began it with "wherever possible" and I wonder if that wouldn't cover the Northwest Territories.

Mr. Chairman: — You are correct. It does indeed say, "whenever possible." So there may be situations, although that . . . Well, okay. That leaves you, I think, the escape hatch or the leeway to do whatever you feel is appropriate in the jurisdiction that is the chairperson at that time.

Mr. Baker: — Would somebody explain to me what the thoughts behind the executive would be with regards to this particular addition. Right now it reads:

> The board of directors shall appoint a secretary to the council for . . .

You know, and so on. Why was it felt necessary to then give advice to the board of directors that it should be, wherever possible, the clerk? What's the reasoning behind that?

Mr. Chairman: — Who can comment on that?

Mr. Archibald: — I'm not sure . . . I was reading something when you started.

Mr. Baker: — Okay. It seems to me, first of all, that this is a change simply for the sake of change. I don't understand why the executive would find it necessary to direct the board of directors to "wherever possible" use the clerk. There must have been a reason behind it, for this change, and I'm wondering why was this addition made, suggested.

Mr. Archibald: — I think just the organization in the running of a meeting requires that somebody be there to act as secretary.

Mr. Baker: — Yes, but the present clause reads:

> The board of directors shall appoint a secretary of the council to perform such administrative and research duties as may be assigned by the council and the board . . .

Why was that considered inadequate?

Mr. Chairman: — Before you respond, can I ask Ms. Nicholson to make her comment, and then you can respond to both.

Ms. Nicholson: — I assume that the point is that the host jurisdiction would provide a secretary as a matter of convenience. Is that the purpose of it?

Mr. Chairman: — That's the way I understand it, but a previous executive may want to comment. Do you still want to comment?

Ms. Follwell: — I just wanted to say that that was the reason. The first few years that the council was in existence the secretary came from Ontario, and so even though the conference might be in Prince Edward Island or in Saskatchewan, the secretary was from Ontario. And it seemed to make the most common sense to have the secretary from the jurisdiction, and I don't think it matters if it's the clerk or the researcher or who it is as long as it's from the jurisdiction. That's the operative point "from the jurisdiction" rather than the term "the clerk or the researcher."

Mr. Chairman: — Okay, is that adequate? Is that the explanation you wanted?

A Member: — It's the explanation I wanted.

Mr. Chairman: — Okay. Therefore the council is satisfied with the recommendation as it is, knowing the leeway that's in it?

Mr. Baker: — It sheds a new light, from my point of view, on the addition now, which is why I wanted the explanation. Does that mean now that when we add that, that we read it:

> That wherever possible the committee clerk of the jurisdiction . . .

Okay, now the operative part being "of the jurisdiction." All right. Now that ties you in then to the committee clerk, doesn't it? That "wherever possible," does that mean in the jurisdiction, or does that mean "wherever possible" the committee clerk?

Mr. Chairman: — No, I'm sorry. Maybe I did not . . . it's not clear. It doesn't say "wherever," it says "whenever."

Mr. Baker: — Well, okay, "whenever possible." Well then the same point is still there though. Does that mean that "whenever possible" you use the jurisdiction, or "whenever possible" the committee clerk? Because if the object of it was to ensure that a person in the jurisdiction became the secretary, then it should simply say that the secretary will be from the jurisdiction, and the "whenever possible" then kind of negates that particular intention, doesn't it? And it also, if the "whenever possible" applies to the jurisdiction, then it means that it has to be the committee clerk of that jurisdiction.

Mr. Katzman: — I think I just got confused. I think what we're trying to say "wherever possible" the person taking the secretary should come from a local district, the local . . . (inaudible interjection) . . . That's it, boom, stop there.

Now if you choose, you obviously prefer the clerk, but if you have to use a researcher, fair game. Now if neither one of them can serve and you have to use somebody from Newfoundland at a meeting in New Brunswick, fair game. That's really what the motion says in simple language. You try to use local jurisdiction; if you can't, you use what you can.

Mr. Baker: — We're putting this in for people who 10 years down the road might be reading it and not have in their minds the simple interpretation that you have in your mind. So my point simply is that if that's what we mean, then that's what we should say.

Mr. Chairman: — Well maybe I can be of assistance. There seems to be some concern about the clarity of whether it will then be mandatory to be the clerk, or whether a jurisdiction which is responsible for hosting and as a Chair jurisdiction can appoint somebody other than the clerk. May I suggest that we change the "committee clerk" to whenever possible an "official" of the jurisdiction in which the annual meeting is to be held shall be secretary to the board of directors. That would then make it possible for the jurisdiction to decide whether it will be their clerk, or in some cases it may be the research officer of the public accounts committee. It gives you that leeway. Is that reasonable in your opinion?

I would entertain a motion. I don't think I, as a chairman, can make that motion.

Mr. Baker: — So moved.

Mr. Chairman: — So moved? Okay, Newfoundland moves:

> That we change the "committee clerk" to an "official," which would be an official of the public accounts committee chosen by the chairing jurisdiction.

All right? We have that motion. Do you agree to the motion? Let me ask you: do you agree with that motion to

change of wording to "official" from the "committee clerk"? Those in favour raise your hand? Those opposed? It passes.

So now we're dealing with the main motion . . . which amended motion, which will read:

> Whenever possible an official of the jurisdiction in which the annual meeting is to be held shall be secretary to the board of directors.

All in favour, raise your hand? All opposed? It passes. Thank you.

I just had to get some advice here. I'm in a bit of a disadvantage; I was not privy to the discussions here. There would be a new amendment, a new section to section (c), section (c) subsection (d), and it would read:

> An executive secretary shall be elected every two years at the annual meeting and whose function it will be to co-ordinate the publication of the public accounts committees series in the *Canadian Parliamentary Review* for each issue published.

And I will ask if there is someone who would comment on it?

Mr. Archibald: — Being a very new member to this committee and having several other people being new to these committee meetings, it was, I thought, at our annual meeting in Quebec, or semi-annual meeting in Quebec, that it would be a good idea to have somebody that could provide continuity to this committee; where the secretary changes each time we have a meeting from province to province, that it would be a good idea to have somebody that was around a little bit longer than that. And that is why we suggested that we have an executive secretary that would be charged with keeping records and all that sort of thing. And that's why we did it, and I think it's a heck of a good idea.

Mr. Chairman: — Thank you for the explanation. This proposal is now open for discussion. Again, it's a recommendation of your executive. Mr. Blake, Manitoba.

Mr. Blake: — Yes, I'm just worrying about funding. I assume that this is someone that's on staff in one of the various committees that will just be assigned this additional little chore of keeping some continuity of the committee.

Mr. Archibald: — At our executive meeting that was our big concern, too, that we don't have a budget to pay anybody. Our thought then at some point, if this is adopted, I think I would move the secretary that we have this year carry on with this for a bit longer. He, or whoever does it, is going to have to do it in addition to the duties that he's performing at the present time. I'm not suggesting for a minute that we set up a paid position by this organization.

Mr. Katzman: — I'll talk out of turn; I usually do. I think this has been a procedure. For example, our clerk, our senior clerk, has been holding positions like that on Canadian bodies for years, and he just does them out of his spare time within the government without extra remuneration. And I gather what usually happens is the communication costs and telephone costs get picked up by his office. And I'm assuming that's the intent that you intend to go.

I will step out of line and suggest, from the Board of Internal Economy which rules how much we pay for Craig and all those things, we probably wouldn't argue against that if you so wish that Craig continue to do that.

Mr. Webster: — I suggest that for reasons of continuity on the board that all members shouldn't have to be elected at each annual general meeting. That should be split up, two and two, and then one of the vice-president's positions should fulfil this role proposed.

Mr. Archibald: — The president and the vice-president have traditionally been . . . The president last year was Ned Shillington because this is where we were coming. Next year it's from Quebec because that's where we're going, and the following year it's Nova Scotia because that's where you're headed next. After today's meeting — cripes, he's gone — but I think Alberta is anticipated to be holding the next meeting in '89, so he would be the next person that would be vice-president. That person, if he moves from the public accounts committee, he will not be . . . You know you'll have a new guy, he'll be from Alberta.

A Member: — Just like what happened with Ned.

Mr. Archibald: — Yes, and it happened to Ned; it happened to Dr. Stewart from Nova Scotia who has been coming for many, many years, and all of a sudden I showed up. I didn't have a whole lot of continuity. And you'll be very pleased and delighted, no doubt, that next year you'll have a different person from Nova Scotia and it won't be me.

So the executive really isn't elected as an executive, I don't think; it's elected as a province. And I'm just representing . . . I'm just here on behalf of Nova Scotia because I'm chairman of their committee at this time. But that's not to say that I will be next year. In fact, I can guarantee you I won't be next year unless I change parties because we're going with an opposition chairman next year.

Mr. Chairman: — Mr. Katzman, I'm going to try to draw this to a conclusion because we're running into a time problem.

Mr. Katzman: — Bringing it to a head, I think, really what we're saying is we want a non-elected person, if possible, for continuity. And I read between the lines, Mr. James — clerk or procedural, I guess, is his title — is prepared to do it, from what I'm whispered in my ears from the side, from the Yukon. And I'm suggesting that Saskatchewan has had a habit of saying, yes, we allow our clerks to do these things and our office to pick up the minute costs that are happening. And if that's what you're asking of Craig for a year and he's prepared to do it, I think you'll get no argument from the Saskatchewan Board of Internal Economy which votes his funds.

Mr. Chairman: — The amendment here would permit the executive to make that decision. Mr. James, it was decided he would do that. He would therefore only do it for one more year because he's already done it for a year. So I think you'd have to take that into consideration.

I'm going to ask for . . . I didn't hear a motion of change. I heard other comments.

Mr. Archibald: — I move.

Mr. Chairman: — Mr. Archibald moves, as recommended by the executive, that the recommendation be adopted. Those in favour show by a raise of your hand. Those opposed? It is agreed.

You have items 4 and 5 which, I understand, Mr. Shillington had put on your agenda. I'm prepared to move on to the discussion of other items and skip over those two for now, unless somebody feels that they want it discussed at this time. We have some time constraints that are before us. That's part of the problem with leaving the business session to the last item on the agenda, I suppose.

Unless I hear otherwise I will proceed to item number 7, which is for the election of the president. The first vice-president is Jean-Guy Lemieux from the province of Quebec, and I entertain now a motion for the election of the new president.

Mr. McCallum: — I move that Mr. Lemieux be elected as president.

Mr. Chairman: — Thank you. We have a motion for Mr. Lemieux for president of our council. Do I take that as . . .

A Member: — Question.

Mr. Chairman: — Question? I hear question be asked. Is that agreed? It is agreed. Sorry, go ahead.

Mr. McCallum: — Mr. Chairman, I was going to say, because we've changed the constitution, we do not have to elect Mr. Major. It will be up to Mr. Lemieux to determine it.

Mr. Chairman: — Thank you for raising the point. We now move to the election of the first vice-president. I look for a motion. Mr. Belisle moves the election of Mr. George Archibald from Nova Scotia. Is that agreed? Question. All agreed? Agreed. So now we have a president and a first vice-president.

Election of a second vice-president. Somebody was commenting that the auditors are meeting in Alberta, but I'm at the wish of the council.

Mr. Archibald: — I move that Alberta be the second vice-president. He's gone. I told him last night I was going to do that. He didn't have any serious objections, so . . .

Mr. Chairman: — Any discussion? Northwest Territories.

Mr. McCallum: — I don't have a question on it actually, Mr. Chairman. I think maybe, though, we better go back — just as a point of order — better go back to number 9. Because we've elected a second vice-president, we've changed the agenda. There's going to have to be an election at that time as well, because Mr. James is only going to fill out one more year, is he not?

Mr. Chairman: — I'm not sure that I understand.

Mr. McCallum: — That executive secretary you have . . . We have elected a second vice-president from Nova Scotia. We've changed the . . .

A Member: — First vice.

Mr. McCallum: — Sorry, first vice.

Mr. Chairman: — Okay, let's just clarify. We've elected a president, Mr. Lemieux; a first vice-president, Mr. Archibald, Nova Scotia. Now we're on item 9, which is the election of the second vice-president. I've had a motion to the effect that it be Alberta. Is that agreed? Okay, that is agreed.

Item 10 is the ninth annual CCPAC meeting. It is proposed that it be in the province of Quebec. We need to set some dates. I do not have a date being recommended, so I guess that is open for discussion.

Mr. Belisle: — Okay. Mr. Chairman, I think that, from gathering information from my colleagues, the tentative dates would be from the 5th of July to the 8th of July of next year.

Mr. Chairman: — Okay. Is that agreed?

Mr. Katzman: — Before we agree to that, I would suggest this only for discussion in future, and I won't be here. But we had some slight problems with co-ordinating with the provincial auditors this time, which may not be public knowledge to all of you here.

Maybe sometimes and occasionally we may choose to meet separate from them, even though we meet with them, and that should always be dealt with the year in advance if we ever choose not to meet simultaneously. I throw that out for a comment and leave it at that.

Mr. Lea: — Wouldn't it make more sense if the executive were to look for a date and then to notify the provinces of the date than to try to settle it here?

Mr. Chairman: — That sounds reasonable to me. We will take that as a suggestion to the executive. So that item is dealt with.

I want to raise with you, before I move on, that we had discussed yesterday the question of discussing comprehensive auditing at a future meeting. I haven't specifically raised that because, having looked at the minutes of the last executive meeting, I noticed that in minutes 8 it states:

> The executive propose that Quebec consider placing the issue of comprehensive auditing on the conference agenda for the council's 1987 meeting.

So that already has been considered by the executive and it is already there, so I think we need not deal with it at this time.

I am told that we need an adoption of the minutes of the Whitehorse meeting, the seventh annual meeting from last year, and I look for someone to move the adoption.

Moved Manitoba. Agreed? Carried.

Are there any miscellaneous or other comments or questions or suggestions we need to deal with before I wrap it up?

Mr. Archibald: — One thing I've noticed on the executive — it is made up of a president and two vice-presidents. I would suggest that it be made up of the past president, president, and those vice-presidents. Continuity is quite important to these meetings.

Mr. Chairman: — Okay, we have a suggestion, or is that a motion?

A Member: — I'll make it a motion.

Mr. Chairman: — Okay, we have a motion. Any discussion? Yes, Mr. Young, Saskatchewan.

Mr. Young: — The electorate sometimes decides whether or not you're going to be a member. You may have to resign because of legislation. You could pull off some stunt and your own legislature can turf you, let alone the electorate, and you could wind up in a situation . . . I don't think of anything wrong with it — depending on what the nature of your removal from office was — that you would be on the executive of this and you could have been removed from office by some crime. Who knows?

Mr. Chairman: — Did you have your hand up, Mr. Webster? No? Do I see other . . .

Mr. Katzman: — Mr. Chairman, assuming that you automatically leave any of these executive positions the moment you cease to be a member of public accounts . . .

A Member: — Sounds reasonable to me.

Mr. Katzman: — . . . the moment you cease to be a member of public accounts, you're automatically out.

A Member: — Well that takes care of it.

Mr. Katzman: — So the past chairman, I suggest . . . Usually in our case of Alberta, I will use, when he is past chairman, he will be in his election year, and usually your chairmanship and your vice-chairman seem to have just been elected, or still have got another year, they normally will be serving before the election is called, hopefully. So I think it's impossible, because we go by province, or country, Canada, rather than going by individuals, if for the three positions.

Mr. Chairman: — I have a motion on the floor, moved by Nova Scotia:

> That on the executive, there be included the past chairman of the previous year.

That is the motion. As the chairman of three weeks, I have no comment on this motion.

Mr. McCallum: — Before you proceed further, Mr. Chairman, it's very clearly laid out in the constitution, adopted July 6, 1982, who shall be the board of directors. It's not up to this group to change it at the moment without changing the constitution.

Mr. Chairman: — That's a good point.

Mr. Belisle: — Well my question is as follows; it's a basic question: who has sovereignty to decide for a change in the rules in the constitution? It seems to be a basic point. If we do not have the power, who has the power? So in my . . . (inaudible interjection) . . . Eh? Yes, well that's what we've been doing for the past hour.

So in my own small legalistic approach, I think that Mr. Archibald's motion from Nova Scotia is well-founded, and in my own opinion also — and I think I'm representing also the Quebec delegation opinion — I don't see any problem with having the past president on the board, and I think it would definitely add continuity to the whole process. That's what we're looking for right now, through time, through various changes, and through various legislatures, although maybe the chairman might lose his position as a chairman in one of the various public accounts committees throughout Canada but might at least stay as a member of the board.

Mr. Chairman: — Thank you. Mr. McLachlan, did you still want to speak?

Mr. McLachlan: — No. No, Mr. Chairman.

Mr. Blake: — Yes, I think in most jurisdictions, Mr. Chairman, the past president remains on the board of director in an *ex officio* capacity, and this would solve the problem if he stays on the board and delivers his expertise from his past experience.

Mr. Chairman: — I'm looking for the constitution; this would be a change to the constitution. We have to make sure that where that's clear . . .

Ms. Nicholson: — Well perhaps I should wait until you've spoken, Mr. Chairman, but I just wanted to point out that . . . I mean, I'm in favour of the inclusion of the past chairman, but I wondered if there should be some reference to article number 3 which says: "membership on the council is open to legislators who aren't members of all Canadian public accounts committees," etc. In other words, if the past president had gone to be a minister or something, obviously he would no longer be eligible. So I wondered if the recommendation about including the past chairman might be "provided he's still eligible for membership in the organization," something like that.

Mr. Chairman: — I'm in a bit of a dilemma here as to how to dispose of this. We would have to have appropriate amendments made to the constitution. Let me suggest

that we vote on it and in the vote refer it to the executive that will then be able to make a recommendation for appropriate changes to the constitution. Okay? So we're now voting on the principle of Mr. Archibald's motion. Is that agreed? Agreed? Any dissent? Thank you.

That is the last item on the agenda.

Mr. Webster: — Before our numbers dwindle even further, I'd like to take this opportunity as host of the previous conference, on behalf of delegates from other jurisdictions, to thank this year's host. You've done a wonderful job. You showed us a little bit of your province — a beautiful province, beautiful weather. We appreciate your little touches. Thanks very much.

Members: Hear, hear!

Mr. Lemieux: — I wish to thank you for having elected me president for next year. I would like to take this opportunity to invite you all to Québec city one year from now. I hope that you will find your stay as hospitable and stimulating as the one we have just experienced.

Finally, I want to give a special thanks to Mr. Ed. Tchorzewski, and to all the staff here in Regina for their kindness for your hospitality and their warm welcome. On behalf of the members of the Quebec delegation, and in my own name, thank you very much.

Members: Hear, hear!

Mr. Chairman: — Thank you. We all — I'm sure I can speak for everyone here — look forward to the next annual meeting in the province of Quebec, assuming that we're all still members, knowing that the electorate has a comment to make on this from time to time.

Let me just conclude by expressing my sincerest appreciation to all of you for your assistance to me as a chairman, who from time to time may have stumbled along because of inexperience, but more than that, for your contributions to what I think has been a conference that has been very worthwhile. And I do not say that as a veteran; I say that as one who's new to it. I found it very worthwhile and very useful. I hope that all of you did as well. Please continue to have a good time in Saskatchewan and have a safe trip home. The buses are available.

The conference adjourned.

REPORTS

HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

STANDING COMMITTEE ON PUBLIC ACCOUNTS

TWELFTH REPORT TO THE HOUSE

AND

PROCEDURES AND PRACTICES OF

THE COMMITTEE

CANADIAN COUNCIL OF PUBLIC

ACCOUNTS COMMITTEES

JULY, 1986

STANDING COMMITTEE ON PUBLIC ACCOUNTS

July, 1986

Twelfth Report to the House and Procedures and Practices of the Committee

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TWELFTH REPORT TO THE HOUSE
(PRESENTED WEDNESDAY, MAY 28, 1986)

HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA
K1A 0A6

The Standing Committee on Public Accounts has the honour to present its

TWELFTH REPORT

1. In accordance with its Orders of Reference dated Friday, June 21, 1985 and Tuesday, January 14, 1986 your Committee visited Washington, D.C., U.S.A. and London, United Kingdom and has agreed to the following report.

2. Your Committee travelled to Washington and London to observe and discuss the practices and procedures of its American and British counterparts with a view to improving its own methods of operation. While observing many interesting practices it was evident that many of these were unworkable in our committee system. Nevertheless, several procedures were observed which could assist your Committee in fulfilling its mandate. Some of these changes can be dealt with by your Committee itself, while others require the approval of the House.

Periodic Reporting

3. At present the Auditor General Act states, in part, that
"7(1) The Auditor General shall report annually to the House of Commons..."

Your Committee is very concerned about the timeliness of the audit findings contained in these annual reports. For example, comprehensive audits may be completed several months in advance of the tabling date. In view of the fact that these audits take up to two years to complete, certain of the findings may be out of date by the time that they are referred to your Committee.

4. In a report to the House tabled on June 13, 1984 (5th Report, 2nd Session, 32nd Parliament) your Committee recommended that the Auditor General Act be amended to permit more timely reports. In October 1985 a bill in the name of the Honourable Member for Prince Albert was presented. This matter was also raised in the House on March 4, 1985 by the Chairman of your Committee, the Honourable Member for Trinity.

5. Your Committee is of the opinion that the five or so comprehensive audit reports normally done each year should be tabled in the House on a completion-date basis. This would enable your Committee to scrutinize the Auditor General's comprehensive audit findings in a timely manner and make observations and recommendations as soon as possible after this type of audit is completed. In the U.K., the Comptroller and Auditor General makes frequent reports, which are immediately considered by the Public Accounts Committee. This practice was noted to be most workable and successful.

6. Other audit observations arising from the annual attest audit of departments, agencies and Crown corporations, together with preliminary findings from comprehensive audit work would continue to be reported on an annual basis.

Recommendation

7. Your Committee recommends that the Government immediately introduce a bill to amend the Auditor General Act, as follows (new wording underlined):

"7.(1) The Auditor General shall report at least annually to the House of Commons...

and that any consequential amendments be included.

Annual Debate on PAC Reports

8. Your Committee is of the opinion that greater attention should be given to Public Accounts Committee reports in order to put more emphasis on the accountability process. This may be achieved through a one-day debate in the House. Such a debate would allow for more effective follow-up on Committee reports. In addition, it is likely that Departments would pay more attention to the Committee's recommendations and take appropriate remedial action more quickly.

9. It is noted that in the United Kingdom one sitting day annually is set aside in the House to permit debate by all Members on the reports of the Public Accounts Committee. In Canada this practice is also followed in the legislatures of Ontario, Saskatchewan and the Yukon.

Recommendation

10. Your Committee recommends that the House designate one sitting day each calendar year for the purpose of allowing debate on the reports of the Public Accounts Committee.

Parliamentary Scrutiny of the Office of the Auditor General

11. Your Committee noted that in the United Kingdom a statutory commission is charged with the responsibility of overseeing the operation of the National Audit Office. This includes the approval of the estimates and others matters pertaining to the operation and performance of the Audit Office. This commission reports to the House from time to time.

12. Your Committee is not entirely convinced that a similar commission is required in Canada. However, your Committee considers it inappropriate that although the Auditor General is a servant of Parliament he is subject to Treasury Board review in the preparation of his estimates like any other government department. At present his estimates are considered by the Standing Committee on Government Operations, which has no other involvement with his Office. In view of your Committee's familiarity with and understanding of the Auditor General's work, it considers that any matter relating to the Office of the Auditor General should be referred to the Public Accounts Committee, including the estimates. This would permit your Committee to have a more significant role in the operation and scrutiny of the Office of the Auditor General.

Recommendations

13. Your Committee recommends that all matters relating to the Office of the Auditor General, including the estimates, be referred to the Standing Committee on Public Accounts.

14. Your Committee requests that the Government respond to the recommendations contained in this report in accordance with S.O. 99(2).

15. A copy of the relevant Minutes of Proceedings and Evidence (Issue No. 33 which includes this report) is tabled.

Respectfully submitted.

AIDEEN NICHOLSON,
Chairman

PROCEDURES AND PRATICES OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS

HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

STANDING COMMITTEE ON
PUBLIC ACCOUNTS

COMITÉ PERMANENT
DES COMPTES PUBLICS

PROCEDURES AND PRACTICES OF THE STANDING COMMITTEE ON PUBLIC ACCOUNTS

Introduction

1. As the Public Accounts Committee entered the second year of the 33rd Parliament a vigourous program of hearings and reports had been completed. Large and complex departments, notably Public Works and National Defence, had been brought before the Committee and closely questioned on the probity and effectiveness of their management of public funds. It was time for the Committee to pause and, in the spirit of the reform of the rules of the House led by the McGrath Committee, review and evaluate its methods of operation. In order to aid this process, the Committee travelled to Washington, U.S.A. in September, 1985 and London, United Kingdom in February, 1986, to observe and discuss the practices and procedures of its American and British counterparts.

Washington Visit

2. The program of the Washington visit centred on the activities of the Government Operations Committee of the House of Representatives. This Committee is charged with overview responsibilities for departments and agencies which carry out the progams of the Executive Branch. The Intergovernmental Relations and Human Resources Subcommittee of the Government Operations Committee was observed in action and members of the Public Accounts Committee met with the Chairman of the main Committee. Another important aspect of the Washington visit was the opportunity to meet with the U.S. Comptroller General and gain an appreciation of the workings of his office, the General Accounting Office, and its relationship with Congress.

London Visit

3. The visit to the United Kingdom focused on the procedures and practices of the British Public Accounts Committee. Members of the Canadian Committee met on several occasions with their British counterparts. With its long-standing tradition and finely-developed working relationships with the civil service, the U.K. Committee was a source of important insights. Of particular interest were the workings of the National Audit Office, the organization supporting the British Comptroller and Auditor General, and the manner in which it interacted with the Public Accounts Committee. Canadian members were fully briefed on the operations of the NAO and its roles and responsibilities in the British system.

Improvements in Procedures and Practices

4. Upon review and discussion of the findings of these two visits, the Committee has decided upon a number of specific measures to revise and improve its procedures and practices. Some of these matters are contained in the 12th Report of the Committee. These were considerations requiring the attention and approval of the House, including recommendations on: amendments to the Auditor General Act to permit completion-date reporting; an annual debate in the House on the Committee's reports; and the referral to the Committee of all matters relating to the Office of the Auditor General, including the estimates.

5. Other matters fall within the Committee's own ambit and are outlined in the balance of this statement. It is the intention of the Public Accounts Committee to make these changes in its proceedings known to all participants in the Committee's affairs. The agreed-upon reforms are therefore set out at length in what follows, together with a brief explanation of why each was adopted.

Sub-Committees

6. One important feature of the American committee system is the reliance on subcommittees as the primary vehicle for legislative and oversight activities. Small groups of legislators become particularly knowledgeable about a given subject area and this enhances their effectiveness in the conduct of inquiries. Functioning through subcommittees, a committee is able to deal with more than one subject at a time. In addition, the subcommittee is a flexible instrument, subject to varying degrees of control by the main committee.

7. These characteristics of the use of subcommittees in the U.S. Congress - flexibility, enhanced scope of inquiry and additional expertise of members - suggest that the expanded use of subcommittees may be appropriate in the context of the Canadian Public Accounts Committee. In the past, the Public Accounts Committee has made limited use of subcommittees; these have been specialized inquiries of short duration. Based on its review of U.S. experience, the Committee has decided to further develop subcommittees as a forum for in-depth planning of its future program. In conjunction with the tabling of the 1986 Annual Report of the Auditor General, the Committee forsees the establishment of two or more subcommittees to examine major subject areas. Members of these subcommittees will acquire more thorough knowledge of the subject matter of priority areas in the Auditor General's report in order to act as resource - persons for the hearings carried on by the main committee. It is anticipated that these subcommittees will be continuing assignments, focusing on the planning for and conduct of public meetings but also remaining in existance after the report has been completed to oversee follow-up action in response to the Committee's recommendations.

Preparation for Meetings

8. The Public Accounts Committee has long recognized the importance of sound preparation for public meetings. The Committee wishes to maintain and develop its procedures in this regard. Accordingly, the Committee will proceed as follows. In the weeks leading up to the public meetings, the staff will compile documents and draft briefing notes based upon analysis of the subject matter and discussions with prospective witnesses. This material will then be assembled in the form of a briefing book, including the opening statements of the principal witnesses. Briefing books will normally be distributed to members on the Thursday of the week before the first public meeting so that members will have an opportunity to review this material over the weekend.

9. A briefing meeting will be held the day before the first meeting. In presenting the briefing to members staff of the Committee will be assisted by the staff of the Office of the Auditor General, in the case where subject is drawn from the Auditor General's report. Permanent Committee staff will be supplemented by additional expert staff, where this is required. In conjunction with the subcommittee procedure mentioned above, the Committee, in the course of the briefing meeting, will designate individual members to play a leading role in the questioning of witnesses.

Planning Future Business

10. Among the many noteworthy practices of the British Public Accounts Committee is the well-developed system of planning future business with the National Audit Office. A detailed planning document is submitted to the U.K. Committee and the program is set out one year in advance based on the schedule of reports being produced and, on occasion, requests by the Committee. In reviewing these planning procedures of its U.K. counterpart, the Canadian committee has decided to further develop its own procedures in this area. In future, the Committee will meet with the Auditor General at six month intervals and will endeavor to plan its program on this basis. One of these semi-annual planning sessions will co-incide with the tabling of the Auditor General's annual report. With the assistance of the Auditor General and his staff, the Committee will rank and priorize the subjects in his annual report and lay out a program of future business. The Committee will also consider items from the Public Accounts of Canada and, from time to time, request the Auditor General to undertake special studies or inquiries. Should the Auditor General's Act be amended to allow him to table reports on a completion-date basis, the Committee expects that the semi-annual planning sessions would serve to set the agenda for the tabling of these reports.

Witnesses

11. One aspect of the U.K. Committee's proceedings noted by the Committee was the degree of preparation and co-ordination that was evident in the quality of the responses from civil servants. It was clear that officials were well-briefed. Moreover, responses from each department were channelled through one or two designated senior officials. The British Committee therefore received evidence from a small number of well-briefed, high-ranking officials. This approach commended itself to the Canadian Committee. Too

often, in the Canadian experience, testimony from officials has not been well co-ordinated and it has not been clear who was accountable to whom for what. In future, the Committee will impress upon government departments, agencies and Crown corporations appearing before it the importance of responsible representation and an improvement in the quality of witnesses' preparation. The staff of the Committee will convey these expectations to all prospective witnesses.

12. Under the doctrine of ministerial responsibility a minister is answerable to Parliament for policy while public servants are responsible for the implementation and administration of programs. It is not the intention of the Public Accounts Committee to determine the rights and wrongs of policy but rather to ensure that programs are implemented with due regard for economy, efficiency and effectiveness. The Committee will hold officials accountable for their administrative responsibilities and for the accuracy and completeness of the advice that they give to ministers.

13. The Committee observed that its British counterpart tended to receive concise replies from witnesses. It is a matter of concern to the Committee that witnesses sometimes respond at greater length than is called for, hoping to "talk out" a point rather than deal squarely with it. The Committee will endeavor to more closely control such behaviour in the future.

Impact

14. Parliamentary scrutiny of the economy, efficiency and effectiveness of public spending is recognized as an important function in the U.S. Congress and the British House of Commons. The Government Operations Committee is a sought-after assignment among the many committees of the House of Representatives. Similarly, the U.K. Public Accounts Committee has an authoritative voice in the overview of government expenditures, based on a tradition of respect for the Committee and its views. In light of British and American practice, the Canadian Committee will endeavor to create a greater awareness of its activities among other parliamentarians and in the general public.

15. Among the measures which the Committee proposes to adopt are press conferences to accompany the tabling of major reports and enhanced communication with other committees and individual Members of Parliament to "get the message across". Although the Canadian political system differs from the American in that fewer powers reside in committees, the Public Accounts Committee sees opportunities to communicate with the members of other committees, as is done in the U.S., to ensure that the Public Accounts Committee's concerns about departments and agencies are brought to their attention. In the same way, the Chairman, Vice-Chairman and Members of the Committee will consult with their colleagues in the House to ensure that the Committee's views are communicated effectively.

16. In view of the expanded mandate of other Standing Committees and the likelihood that certain of the Auditor General's findings will be of interest to these committees, it must be stressed that all reports of the Auditor General to the House of Commons are automatically and permanently referred to the Public Accounts Committee. For his part, the Auditor General has agreed to inform the Committee on a regular basis of any significant communication and / or involvement with other committees of the House.

Liaison with Departments

17. One aspect of the relationship between the British Public Accounts Committee and the civil service is the role of a senior official in the Treasury department who acts as a co-ordinator of the government response to the Committee. This official liaises with departmental officials prior to meetings and develops the official government reply to Committee reports. He is also present at all public meetings. While not seeking to duplicate the British approach, the Canadian Committee considers the continuity and co-ordination provided by such a central agency official to be a valuable resource that should be further developed in the Canadian context. Accordingly, the Committee will request the Office of the Comptroller General to assign a senior officer, at the Deputy Comptroller General level, to attend all Committee meetings and co-ordinate the involvement of government departments and agencies in the Committee's hearing process.

May 1986

HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

COMITE PERMANENT DES COMPTES PUBLICS

DOUZIÈME RAPPORT À LA CHAMBRE

ET

PRATIQUES ET MÉTHODES DE TRAVAIL

DU COMITÉ

CONSEIL CANADIEN DES COMITÉS

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JUILLET 1986

COMITÉ PERMANENT DES COMPTES PUBLICS

Juillet 1986

Douzième Rapport à la Chambre et Pratiques et Méthodes de travail du comité

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DOUZIÈME RAPPORT À LA CHAMBRE
(DÉPOSÉ LE MERCREDI 28 MAI 1986)

HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA
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Le Comité permanent des comptes publics a l'honneur de présenter son

DOUZIÈME RAPPORT

1. Conformément à ses ordres de renvoi du vendredi 21 juin 1985 et du mardi 14 janvier 1986, votre Comité s'est rendu à Washington, D.C., (États-Unis) et à Londres (Royaume-Uni), et est convenu de présenter le rapport qui suit.

2. Votre Comité s'est rendu à Washington et à Londres pour y étudier les usages de ses homologues américains et britanniques dans le but d'améliorer son propre mode de fonctionnement. Il a pu observer de nombreuses pratiques intéressantes, dont un grand nombre toutefois n'auraient pas leur raison d'être dans notre système de comités. Néanmoins, il en a relevé plusieurs autres qui pourraient l'aider à remplir son mandat. Certains changements peuvent être apportés par votre Comité lui-même, tandis que d'autres nécessitent l'approbation de la Chambre.

Fréquence des rapports

3. Actuellement, la Loi sur le vérificateur général prévoit, entre autres choses, que

> "7(1) Le vérificateur général prépare à l'intention de la Chambre des communes un Rapport annuel".

La présentation en temps opportun des conclusions de vérification contenues dans ces rapports annuels préoccupe au plus haut point votre Comité. Par exemple, il arrive que des vérifications intégrées soient terminées plusieurs mois avant la date du dépôt du rapport. Compte tenu de ce qu'il faut parfois jusqu'à deux ans pour terminer ces vérifications, certaines des conclusions qui s'en dégagent peuvent être périmées au moment où le rapport est renvoyé à votre Comité.

4. Dans un rapport à la Chambre déposé le 13 juin 1984 (5e rapport, 2e session, 32e législature), votre Comité a recommandé que la Loi sur le vérificateur général soit modifiée afin de permettre la présentation des rapports à des moments plus opportuns. En octobre 1985, un projet de loi a été présenté à ce sujet par l'honorable député de Prince-Albert. La question a aussi été soulevée à la Chambre le 4 mars 1985 par la présidente de votre Comité, l'honorable députée de Trinity.

5. Votre Comité est d'avis que les rapports de vérification intégrée (cinq en moyenne chaque année) devraient être déposés à la Chambre dès que la rédaction en est terminée. Cette mesure permettrait à votre Comité de traiter en temps opportun des conclusions du Vérificateur général et de prendre les mesures qui s'imposent le plus tôt possible après l'achèvement des travaux de vérification. Au Royaume-Uni, le contrôleur et auditeur général dépose de nombreux rapports, qui sont immédiatement examinés par le Comité des comptes publics. Cette façon de procéder s'est avérée des plus pratiques et des plus efficaces.

6. Les autres observations découlant de la vérification annuelle des ministères, des organismes et des sociétés d'État, ainsi que les conclusions provisoires des travaux de vérification intégrée continueraient de faire l'objet d'un rapport annuel.

Recommandation

7. Votre Comité recommande que le gouvernement envisage immédiatement de modifier comme suit la Loi sur le vérificateur général (ajout souligné):

"7.(1) Le vérificateur général prépare au moins une fois l'an à l'intention de la Chambre des communes un rapport..."

et d'apporter les modifications corrélatives.

Débat annuel sur les rapports du Comité des comptes publics

8. Votre Comité est d'avis qu'il faut accorder une plus grande attention aux rapports du Comité des comptes publics afin d'insister davantage sur l'obligation redditionnelle. À cette fin, on pourrait fixer un débat d'une journée à la Chambre, ce qui permettrait de donner plus de suivi aux rapports du Comité. En outre, il est probable que, si un débat annuel avait lieu, les ministères accorderaient plus d'importance aux recommandations du Comité et prendraient plus rapidement les mesures qui s'imposent.

9. Nous avons remarqué qu'au Royaume-Uni, on réserve chaque année un jour de séance à la Chambre pour permettre à tous les députés de débattre des rapports du Comité des comptes publics. Au Canada, cet usage a aussi cours aux assemblées législatives de l'Ontario, de la Saskatchewan et du Yukon.

Recommandation

10. Votre Comité recommande que la Chambre envisage de désigner au cours de chaque année civile un jour de séance réservé au débat sur les rapports du Comité des comptes publics.

Examen parlementaire du Bureau du vérificateur général

11. Votre Comité a remarqué qu'au Royaume-Uni, une commission indépendante est chargée de superviser le fonctionnement du Bureau national de la vérification. Son mandat inclut l'approbation des prévisions budgétaires et l'examen d'autres questions relatives au fonctionnement et au rendement du Bureau de la vérification. Elle fait rapport à la Chambre de temps à autre.

12. Votre Comité n'est pas entièrement convaincu qu'une commission semblable s'impose au Canada. Toutefois, il ne juge pas approprié que, bien que le Vérificateur général soit au service du Parlement, les prévisions budgétaires de son Bureau soient soumises à l'examen du Conseil du Trésor, comme celles de n'importe quel autre ministère du gouvernement. À l'heure actuelle, c'est le Comité permanent de l'administration gouvernementale qui est chargé d'examiner les prévisions budgétaires du Bureau du Vérificateur général. Il s'agit là de l'unique responsabilité de ce comité envers le Bureau. Vu qu'il connaît bien le travail du Vérificateur général, votre Comité estime que toute question ayant trait au Bureau du Vérificateur général devrait lui être renvoyée, y compris les prévisions budgétaires. Le Comité des comptes publics pourrait ainsi jouer un rôle plus important dans le fonctionnement du Bureau du Vérificateur général et l'examen de ses activités.

Recommandation

13. Votre Comité recommande que le gouvernement envisage de renvoyer toutes les questions relatives au Bureau du Vérificateur général, y compris les prévisions budgétaires, au Comité permanent des comptes publics.

14. Votre Comité demande au gouvernement de répondre aux recommandations contenues dans le présent rapport, conformément au paragraphe 99(2) du Règlement.

15. Un exemplaire des procès-verbaux et témoignages pertinents (fascicule n° 33, qui inclut le présent rapport) est déposé.

Respectueusement soumis,

La présidente,

AIDEEN NICHOLSON

PRATIQUES ET MÉTHODES DE TRAVAIL DU COMITÉ PERMANENT DES COMPTES PUBLICS

HOUSE OF COMMONS
CHAMBRE DES COMMUNES
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STANDING COMMITTEE ON
PUBLIC ACCOUNTS

COMITÉ PERMANENT
DES COMPTES PUBLICS

PRATIQUES ET MÉTHODES DE TRAVAIL DU COMITÉ PERMANENT DES COMPTES PUBLICS

Introduction

1. Au moment où il a entrepris sa deuxième année de travaux depuis l'ouverture de la 33e législature, le Comité des comptes publics venait d'achever un rigoureux programme d'audiences et de rapports. Il avait convoqué à comparaître les représentants de ministères importants et complexes, notamment ceux des Travaux publics et de la Défense nationale, pour les interroger en détail sur la probité et l'efficacité de leur gestion des deniers publics. Le moment était venu pour le Comité de se donner un temps de réflexion pour évaluer ses méthodes de travail, selon l'esprit de la réforme du Règlement de la Chambre entreprise par le comité McGrath. À cette fin, les membres du Comité se sont rendus à Washington (États-Unis) en septembre 1985, puis à Londres (Royaume-Uni) en février 1986, pour y observer les pratiques et les méthodes de travail adoptées par leurs homologues américains et britanniques, et en discuter.

Visite à Washington

2. Le programme de la visite à Washington était centré sur les activités du Comité des opérations gouvernementales de la Chambre des représentants, qui exerce un droit de regard sur les ministères et organismes appelés à exécuter les programmes du pouvoir exécutif. Les membres du Comité des comptes publics ont pu observer les travaux du Sous-comité des relations intergouvernementales et des ressources humaines du Comité des opérations gouvernementales, et ils ont aussi rencontré le président du comité. La visite à Washington a également été l'occasion, pour les membres du Comité, de s'entretenir avec le Contrôleur général des États-Unis et de se familiariser avec le fonctionnement du Bureau de la comptabilité générale, qui relève de ce dernier, ainsi qu'avec les rapports entre le Bureau et le Congrès.

Visite à Londres

3. La visite au Royaume-Uni visait surtout à examiner les pratiques et les méthodes de travail du Comité britannique des comptes publics. Les membres du comité canadien ont rencontré à plusieurs reprises leurs homologues britanniques. L'expérience vécue auprès du comité britannique, dont les traditions sont bien établies et les relations de travail avec la Fonction publique, bien rodées, a été des plus enrichissantes. Les parlementaires canadiens se sont notamment intéressés au fonctionnement du Bureau national de la vérification, organisme qui sert le contrôleur et auditeur général, et ils ont examiné les rapports que ce Bureau entretient avec le Comité des comptes publics. On leur a fait un exposé des plus complets sur le fonctionnement du Bureau national de la vérification, et sur ses fonctions et attributions.

Amélioration des pratiques et des méthodes de travail

4. Après avoir examiné les constatations qui sont ressorties de ces deux visites, les membres du Comité se sont entendus sur un certain nombre de mesures précises en vue d'améliorer leurs pratiques et leurs méthodes de travail. Certaines de ces mesures, qui exigeaient l'attention et l'approbation de la Chambre, ont été décrites dans le douzième rapport du Comité, notamment: modifications à la Loi sur le vérificateur général afin de permettre la présentation de rapports plus à jour; tenue d'un débat annuel à la Chambre sur les rapports du comité; et renvoi au Comité de toutes les questions relatives au Bureau du Vérificateur général, y compris les prévisions budgétaires.

5. D'autres questions, qui relèvent uniquement du Comité, sont décrites ci-après. Le Comité des comptes publics entend informer des changements qui seront apportés à sa façon de procéder toutes les personnes qui s'intéressent à ses travaux. Aussi trouvera-t-on dans les paragraphes qui suivent une description détaillée des modifications convenues, ainsi qu'une brève explication des raisons qui les justifient.

Sous-comités

6. Aux États-Unis, un élément important du système des comités a trait au rôle primordial que jouent les sous-comités dans l'exercice des fonctions législatives et des activités de surveillance du gouvernement. Ainsi, chaque dossier est confié à un petit groupe de législateurs, qui en acquièrent une connaissance très poussée, laquelle accroît leur efficacité dans la conduite d'enquêtes. En faisant appel à des sous-comités, les comités peuvent traiter de plus d'une question à la fois. En outre, le sous-comité est un outil souple, dont le degré d'autorité par rapport au comité principal varie selon les circonstances.

7. Les avantages que présente le recours à des sous-comités au Congrès américain - souplesse, possibilités d'enquête accrues et connaissances plus spécialisées des membres - donnent à penser que le Comité des comptes publics du Canada aurait peut-être intérêt, lui aussi, à en faire une utilisation plus fréquente. Le Comité a déjà eu recours à des sous-comités, mais uniquement pour effectuer des enquêtes spécialisées de courte durée. À la lumière de l'expérience américaine, il a décidé de faire davantage appel à cet outil pour assurer la planification détaillée de ses travaux futurs. Ainsi, il se propose, à la suite du dépôt du rapport annuel du Vérificateur général pour 1986, d'établir au moins deux sous-comités pour examiner les principales questions dont traitera ce rapport. Les membres de ces sous-comités acquerront une connaissance plus poussée de ces questions prioritaires, ce qui leur permettra de jouer le rôle de personnes-ressources aux audiences du comité plénier. Ces sous-comités effectueraient vraisemblablement un travail de longue haleine, assurant la planification et la conduite des audiences publiques, mais aussi le suivi des recommandations du Comité même après le dépôt du rapport.

Préparation pour les audiences publiques

8. Le Comité des comptes publics reconnaît depuis longtemps l'importance de bien préparer les audiences publiques, et il souhaite maintenir et améliorer ses pratiques à cet égard. Aussi a-t-il été décidé d'adopter les mesures suivantes. Dans les semaines précédant les audiences publiques, le personnel étudiera le dossier et en discutera avec des témoins éventuels en vue d'obtenir les documents nécessaires et de rédiger des notes d'information. Tous ces renseignements, y compris les déclarations préliminaires des principaux témoins, seront réunis en un cahier d'information, qui sera normalement distribué aux membres du Comité le jeudi précédant la première audience publique afin que ceux-ci puissent l'examiner pendant la fin de semaine.

9. Le Comité organisera ensuite une séance d'information la veille de la première audience. Le personnel du Comité y sera secondé par le personnel du Bureau du Vérificateur général lorsqu'il s'agira de questions tirées du rapport de ce dernier. Des spécialistes viendront au besoin s'ajouter au personnel permanent du Comité. Conformément au nouveau rôle des sous-comités décrit ci-dessus, le Comité profitera de la séance d'information pour désigner les membres qui joueront un rôle de premier plan dans l'interrogation des témoins.

Planification des travaux futurs

10. Parmi les nombreuses pratiques intéressantes du Comité britannique des comptes publics, il convient de noter tout particulièrement l'excellent système établi pour planifier les travaux futurs avec le Bureau national de la vérification. Ce dernier présente au comité un plan détaillé, qui indique l'échéancier des travaux pour l'année à venir en fonction des rapports qui doivent être publiés et, à l'occasion, des demandes du Comité. Après avoir examiné les méthodes de planification de son pendant britannique, le Comité canadien a décidé de chercher à améliorer ses propres pratiques à cet égard. Ainsi, il rencontrera dorénavant le Vérificateur général aux six mois et tentera d'organiser son programme en conséquence. Une de ces séances de planification semestrielles coïncidera avec le dépôt du rapport annuel du Vérificateur général. Avec l'aide de ce dernier et des fonctionnaires de son Bureau, le Comité établira l'ordre de priorité des questions soulevées dans le rapport annuel et dressera son programme de travail. Il examinera également les questions découlant des Comptes publics du Canada et demandera de temps à autre au Vérificateur général d'entreprendre des études ou des enquêtes spéciales. Si la Loi sur le vérificateur général est modifiée de manière à permettre à celui-ci de déposer ses rapports à mesure qu'il les termine, le Comité s'attend à ce que les séances de planification semestrielles servent à établir les dates prévues pour le dépôt de ces rapports.

Témoins

11. Dans leur observation des travaux du comité britannique, les parlementaires canadiens ont été impressionnés par le degré de préparation et de coordination dont témoignaient les réponses des fonctionnaires. Ceux-ci étaient manifestement bien informés. En outre, les réponses de chaque ministère passaient toutes par un ou deux hauts fonctionnaires désignés.

Ainsi, le comité britannique recevait des témoignages d'un petit nombre de hauts fonctionnaires bien renseignés. Cette façon de faire a été particulièrement appréciée des parlementaires canadiens, car trop souvent, au Canada, les témoignages des divers fonctionnaires ne sont pas bien coordonnés, et il est difficile de voir quels rapports hiérarchiques existent entre ces personnes. Aussi le Comité tâchera-t-il à l'avenir de bien faire comprendre aux ministères, organismes gouvernementaux et sociétés de la Couronne qui comparaissent devant lui l'importance d'être représentés par des fonctionnaires responsables; il cherchera également à obtenir que les témoins soient mieux préparés. Le personnel du Comité sera chargé de faire part de ces attentes à tous les témoins éventuels.

12. Selon le principe de la responsabilité ministérielle, les ministres doivent rendre des comptes au Parlement au sujet des décisions de politique, alors que les fonctionnnaires sont chargés de l'application et l'administration des programmes. Le Commité des comptes publics n'a pas l'intention de discuter du bien-fondé des décisions de politique, mais plutôt de veiller à ce que les programmes soient mis en oeuvre de façon économique et efficace. Il tiendra donc les fonctionnaires responsables de ces fonctions d'administration et exigera qu'ils donnent aux ministres des avis judicieux et bien étayés.

13. Le Comité a constaté que son pendant britannique recevait généralement des réponses concises des témoins. Or, il déplore que ses propres témoins aient parfois tendance à donner des réponses plus longues que nécessaire, espérant ainsi noyer la question plutôt que de l'aborder de front. Le Comité s'efforcera dorénavant d'être plus vigilant de façon à empêcher ces abus.

Impact

14. Le droit de regard parlementaire sur la rationalité et l'efficacité des dépenses publiques est reconnu comme une fonction importante au Congrès américain et à la Chambre des communes britannique. Aux États-Unis, le Comité des opérations gouvernementales est un des plus recherchés parmi les nombreux comités de la Chambre des représentants. De même, le Comité des comptes publics du Royaume-Uni, en raison du respect qu'il commande depuis longtemps, a une voix prépondérante dans le contrôle des dépenses publiques. À leur instar, le comité canadien s'efforcera de mieux faire connaître ses activités parmi les autres parlementaires et dans le grand public.

15. À cette fin, le Comité entend notamment tenir des conférences de presse à l'occasion du dépôt de rapports majeurs et favoriser davantage la communication avec les autres comités et les députés afin de faire connaître ses vues. Bien que le régime politique canadien diffère du régime américain, en ce sens que les comités ont ici moins de pouvoirs qu'aux États-Unis, le Comité des comptes publics estime qu'il pourrait communiquer avec les membres d'autres comités, comme cela se fait aux États-Unis, afin de s'assurer que ceux-ci tiennent compte de ses préoccupations au sujet de certains ministères ou organismes. De même, le président, le vice-président et les membres du Comité consulteront leurs collègues à la Chambre pour faire en sorte de bien leur communiquer les vues du Comité.

16. Étant donné le mandat élargi de divers autres comités permanents et la probabilité que certaines conclusions du Vérificateur général intéresseront ces derniers, il convient de souligner que tous les rapports soumis par le Vérificateur général à la Chambre des communes sont déférés d'office et de façon permanente au Comité des comptes publics. Pour sa part, le Vérificateur général a accepté d'informer régulièrement le Comité de toutes ses interventions importantes auprès d'autres comités de la Chambre.

Liaison avec les ministères

17. Il convient de noter un élément intéressant des rapports entre le Comité britannique des comptes publics et la Fonction publique, soit l'intervention d'un haut fonctionnaire du Trésor pour coordonner les réponses du gouvernement au Comité. Ce représentant du Trésor assure la liaison avec les fonctionnaires ministériels avant la tenue des audiences et élabore la position officielle du gouvernement en réponse aux rapports du Comité. En outre, il assiste à toutes les audiences publiques. Sans pour autant vouloir adopter intégralement cette façon de procéder, le comité canadien considère comme un précieux atout l'élément de continuité et de coordination qu'assure la participation d'un représentant d'un organisme central, et il estime qu'il y aurait lieu d'apporter des améliorations en ce sens au Canada. Par conséquent, le Comité demandera au Bureau du Contrôleur général de désigner un haut fonctionnaire, occupant le rang de sous-contrôleur général, pour assister à toutes les séances du Comité et coordonner la participation des ministères et organismes gouvernementaux à ses audiences.

Mai 1986

PROVINCE OF NEWFOUNDLAND & LABRADOR

PUBLIC ACCOUNTS COMMITTEE

.....

Case Study: Respecting Paragraph 45 Report of Auditor General for Financial Year Ending March 31, 1984

The Issue: How much information does the Auditor General need to audit for Compliance with Authority.

WINSTON BAKER

Chairman

In his examination of the Public Accounts, the Auditor General's mandate may be broken down into two areas.

(1) The "attest" function: To see that all of the vouchers are properly handled, are present and properly authorized, that the money was properly spent, that the expenditures are all accounted for, and that all the amounts are properly totalled, properly balanced, and are indeed true and correct.

(2) Compliance with Authority: To determine which projects were authorized by the Legislature, and whether the projects carried out did indeed have legislative authority.

The procedure used by the Department of Transportation in Newfoundland has been to obtain legislative approval for a lump sum of money for roadwork. The projects that were to be undertaken were not part of the legislative approval. The Auditor General maintained that, in order to properly audit Compliance with Authority, he must be provided with the list of road projects that the approved expenditure was intended to cover.

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Paragraph 45 from the Auditor General's report is attached. (Appendix I)

The Committee consideration was complicated by politics, as it sometimes is.

The Minister of Transportation had said in an interview on Television that it was only natural for districts represented by government members to get more money than districts represented by opposition members. When the list for roadwork was finally obtained, it was not broken down by project, but by electoral districts, and of the 34 districts receiving money, 33 were represented by government members. This, obviously, created a partisan atmosphere, where opposition members of the Public Accounts Committee were trying to read into the record what they considered a political injustice, and the government members were obviously trying to protect government policy.

Some excerpts from the Committee hearings that show this political bias are attached. (Appendix II)

The official response of the Department of Transportation to paragraph 45 of the Auditor General's report is attached. (Appendix III)

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In light of the high feelings generated by this situation, the published Evidence, Findings and Recommendation of the Public Accounts Committee must have been difficult to write, and, indeed, was general and vague. It is attached as Appendix IV.

There are many questions that could be asked concerning this situation. The main questions for discussion are:

1. Was the Auditor General overstepping his authority in raising the matter?

2. To what extent must the Auditor General pursue his Compliance with Authority function?

3. Is there any circumstance where Block Funding of this sort is appropriate?

4. Is there any Public Accounts Committee structure that could make this type of examination more useful?

Appendix I

The Department of Transportation

Deficiencies in the budgetary process for approving funds for the improvement and construction of provincially funded roads.

Reference: Paragraph 45, Report of the Auditor General for the financial year ended 31, March, 1984, Proceedings of the Public Accounts Committee, January 30, 1985.

The Report stated: In making its 1983-83 capital budget proposal to Treasury Board for improvement and construction of provincially funded roads, the Department of Transportation compiled a list of projects with a total cost of approximately $164,000,000, of which funds amounting to $77,768,000 were requested for the 1983-84 fiscal year. These funds were intended to continue projects that had been started in previous years and to initiate new projects in 1983-84.

Subsequently, the 1983-84 Estimates were approved by the House of Assembly and a budgetary allocation of $20,000,000 was provided for road improvement and construction. This allocation was in the form of "block funding" which did not detail in any way the specific projects to be undertaken. This was the case even though certain budgetary documentation indicated that there was a listing of projects supporting the $20,000,000 budget allocation.

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In April 1983 after the "block funding" had been provided for the 1983-84 Estimates a Minute of Council was issued which approved $25,148,000 for the 1983-84 roads reconstruction, upgrading and paving program. It detailed the new work to be undertaken by Electoral District, rather than by project. In correspondence to me the Department of Transportation advised that:

> "Cabinet did not select the individual projcts but left those decisions to the Minister of Transportation."

In June 1983, another Minute of Council provided the further budgetary funding required for the additional road construction commitments. It "Ordered that, under authority of Section 28 (2) of The Financial Administration Act, the Lieutenant-Governor in Council be and he is hereby moved to issue a Special Warrant under Head XI, Department of Transportation, in the amount of $5,148,000 for the purpose of providing for additional road construction commitments..."

Therefore, the original "block funding" of $20,000,000, as provided for in the Estimates approved by the House of Assembly, was increased to $25,148,000.

It seems to me that the "Budget Process" as set out in the Province's Management Manuel of Financial Policy and Procedures is not well served by the procedure presently undertaken for capital roads projects.

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In that Manual, Government sets out the details of the budgetary "Review of Capital Account" by Treasury Board Secretariat and the Planning and Priorities Committee of the Executive Council. A review of this procedure indicates that the emphasis is on the "priorizing of projects" by the various departments so that a decision can be made during the Budget Process as to which projects should be included in the final budget, knowing that all projects presented cannot be approved. Therefore, given this process, it would seem that a final listing of projects totalling $20,000,000 should have been available at the time the Estimates were presented to the House of Assembly for approval.

One provision of the Management Manual states that, "because of the limited financial resources available to the Province, the size of the total capital budget does not change substantially from year to year." Based on this provision, I would expect that the Department of Transportation's budget submission to Treasury Board would contain only those projects that reflect the Department's essential requirements for road construction and improvement throughout the Province, given the budgetary constraints stated. In this way the House of Assembly, rather than approving "block funding", would be aware of the specific projects that the department intended to undertake with the funding approved by the House.

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I therefore recommend that, for budgetary control purposes, the provision of "block funding" for capital roads projects be discontinued. Instead, the budgetary allocation that the House of Assembly is asked to approve for capital roads projcets should be supported in the budgetary documentation by details of the specific projects comprising the capital roads program for that fiscal year.

In my opinion this procedure would eliminate the deficiency that currently exists in the budgetary process for approving funds for the improvement and construction of provincially funded roads in that there would be no need:

(i) to issue a Minute of Council to approve allocations of road construction funds by Electoral District;

(II) to issue a Minute of Council and a Special Warrant to authorize additional funds for the road construction program within one month after the House of Assembly had approved the spending estimates for the fiscal year.

Appendix II

MR. CHAIRMAN:
Now the paragraph we are dealing with today is Paragraph 45. The Auditor General reported the department compiled a list of projects that would cost $164 million in making its 1983-84 budget proposal and funds of $77,768,000 were requested for the 1983-1984 fiscal year for the department. The $20 million allocation approved in the budget was in the form of block funding, even though budget documentation indicated that there was a list of projects supporting the $20 million allocation. MC-400-'83 dated 5 April 1983, approved $25,148,000 for road construction in thirty-four electoral districts for the 1983-1984 fiscal year. The budget was tabled on March 17, 1983 and approved in the House of Assembly - these dates are very important by the way - on May 17, 1983. However, there was only an allocation of $20 million for the improvement and construction of provincially funded roads, even though MC 400-'83 approved an expenditure of $25, 148,000. The House closed on May 31, 1983. Then on June 7, 1983, MC-778 -'83 ordered that a special warrant be issued for $5,148,000. The total amount, therefore, spent on improvement and reconstruction for the 1984-1985 fiscal year was $24,382,648, leaving a balance of $785,352 at the end of the year. Now, that is the paragraph, and that pretty well sums up what we are dealing with here today.

I would like to say, before I start, you could consider this as a high profile item. I would hope that all members of the Committee would look at it objectively. It is quite conceivable that partisan politics could very easily creep into this paragraph, because of the nature of the beast. I did not put it there, it just happened to be there. But let us keep our eyes on what it is the Auditor General is saying. There has been some controversy already, publicly, about this particular paragraph. I think I heard the Premier of the Province one day on radio or television stating that it was really none of the Auditor General's business. Well, I have to say, as Chairman of the Public Accounts Committee,. I do not subscribe to that, because every red cent of taxpayer's money is the Auditor General's business. But I just use that illustration to show you just how controversial this particular paragraph could be.

Having said that, I ask the Auditor General if he would care to make an opening statement.

MR. McGRATH:
I just have one brief comment to make. I think, out of all that was read into the record, probably the most important statement that I have made in the report item is the fact that the budgetary allocation that the House of Assembly is asked to approve for capital roads projects should be

supported in the budgetary documentation by details of the specific projects comprising the capital roads programme for that fiscal year. That, Mr. Chairman, and members of the committee, is the place that the Auditor General has to begin his detailed audit of the expenditures that are to be undertaken in the year. So, without the House of Assembly having a list of these particular projects available, it must be extremely difficult for you, as members of the legislature, to approve the funding. That is all I have to say at this point.

You know it does.

MR. CHAIRMAN:
"Transportation Minister, Ron Dawe, announced Tuesday that his department would spend almost $92 million on transportation in this Province this year and made no bones about the fact that most money would be spent in Tory districts." How was that the sort of general atmosphere of the -

MR. BRETT:
On a point of order, Mr. Chairman. Does the rule of relevancy apply in this Committee as it does in the House of Assembly?

MR. CHAIRMAN:
Oh, absolutely.

MR. BRETT:
It does?

MR. CHAIRMAN:
Yes.

MR. BRETT:
Well, is the Auditor General questioning the fact, if it is a fact, that funds were allocated to thirty-two Conservative districts and one Liberal district? Is that the question of the Auditor General?

MR. CHAIRMAN:
No, the Auditor General is not questioning the fact.

MR. BRETT:
Because if it is not, then we should not be discussing it.

MR. CHAIRMAN:
These are related matters, Mr. Brett, and are relevant. We are trying to get to the root of the matter to find out how this thing got off the rails in the first place and I believe partisan politics - I did not bring partisan politics into it - was brought in by the minister himself. What I am asking Mr. Oake is if he can tell me whether or not the general atmosphere in the department at the time was influenced by the minister's public attitude. 'Dawe said, in a news conference in the Confederation Building, on the basis of mathematics alone, it was obvious that most funds would go to Tory districts. There are not many districts left.' And then he went on to make some other

comments. So I do not think there is a point of order. The items are relevant. What I am trying to find out from Mr. Oake is if this was the general atmosphere in the department at the time and, you know, the officials really were just brushed aside and the minister said, "Well, I am going to make the decision." Mr. White, you have your hand up.

MR. L. WHITE:
I think I should answer that one, Sir. Mr. Oake was on the financial side, he was not involved in the selection process. Once the MC came down, between the senior officials on the technical side in the department, and the minister, the projects were selected, and we as officials went out and carried them out as expeditiously, and as efficiently, as possible. As far as why one project was done over the other, I think it is unfair to ask us that question. It is a decision by the government and that is what they are elected for, and that is what they did, and we carried out the programme efficiently. I really have no other comment, Sir, to make as why one district over another.

MR. CHAIRMAN:

Really what you are saying to me is partisan politics is really none of your business that if you make the recommendations, you have done your job, and if the minister amended your master list and he selected his own priorities, then you feel that is none of your affair.

MR. L. WHITE:
We make recommendations to the minister and there are times that the minister and the government do not accept our recommendations. I mean, that is the game, that is what they are elected for. Otherwise officals would be running the whole system, and I am sure everybody disagrees with that.

MR. CHAIRMAN:
Any members have any questions?

Mr. Brett.

MR. BRETT:
I am listening to see if I can understand what all this is about. I am not going to go so far as to say that it is none of the Auditor General's business - obviously he feels it is his business - but I believe I have the right to question whether or not this is a matter for the Auditor General. What we are discussing here really is whether or not the government has the right to set its own policy. That is the way that I see it. And, in my opinion, that is the basis of the democratic system. The very root of it is that people elect a government, government set their policy, and they will either stand or fall by their policy. But I do

not see the Auditor General having the right to question government policy, except as it applies to audit. Now, you know, I can see the Opposition having the right to question government policy, to knock government policy, and to try to defeat government on their policy. I am not suggesting it is none of the Auditor General's business, but I question it.

The monies for road reconstruction, and paving, and whatever, was obtained through the proper channels. It was approved by the House of Assembly. Everything was done in accordance with The Financial Administration Act, and the government ultimately must make the decision. It is their responsibility to decide where that money is spent. That is what they are elected for. Now, I am not happy with the amount of money that went in my district, and somebody else is very displeased because they did not get any. But I repeat, a government may stand or may fall on that. But certainly, goodness, they have the right to set their own policy. And I cannot see why the House of Assembly has to approve a programme. That is not where it is done. That is not the way the democratic process works. Now maybe I am misunderstanding the whole thing.

But I see us here this morning discussing policy. What the Auditor General is saying is the government does not have the right to set its own policy with respect to roads, that it has to come into the House of Assembly and the House of Assembly must approve the roads programme. I cannot see that. I do not think he has the right to do that, that is the right of the government.

MR. CHAIRMAN (Neary):
If you would permit, Mr. Brett, it was I who introduced the policy part of it. The Auditor General was dealing with The Management Manual, and told the Committee ~~that the Province, as he felt,~~ was not well served by the procedure that was used and that the block funding policy be discontinued. Now that is what the Auditor General said. The Auditor General did not question government's right to set policy.

MR. BRETT:
Yes, he does. He singles out the Department of Transportation and says that they should not go by way of block funding. Well, if that is the case, then the Department of Health can no longer go with block funding and neither can any other department, because, as was pointed out by the official, there are other departments that need block funding. So if you are going to cut it out in one department, you have to cut it out in all departments.

But the principle here, as far as

I am concerned, is whether or not government can set its own policy. And according to the Auditor General it cannot. Honestly, this is not a personal thing at all, but while the Opposition has every right in the world is to question government policy, I do not think the Auditor General does. I think the Auditor General has a right to see that the $10 million, or the $20 million, or whatever is allocated for roads is properly spent and can be accounted for, but not where it is going to be spent, not where.

MR. CHAIRMAN (Neary):
Mr. Brett, let me ask you if you agree, as a government member on the Committee, with this policy that was stated publicly by Mr. Dawe, your own Minister of Transportation, when he said members on the government side would get priority because they are colleagues?

MR. TOBIN:
On a point of order, Mr. Chairman.

MR. CHAIRMAN:
Yes, a point of order.

MR. TOBIN:
I think you are making an attempt to read something into the record by asking a question of your colleague here. I do not think that there is any need of you to direct questions to a member of the Committee.

MR. CHAIRMAN (Neary):
There is no point of order, Mr. Tobin.

MR. BAIRD:
However, Mr. Chairman, if the colleague decides to answer it or otherwise, I think that is up to him.

MR. CHAIRMAN:
If he does not want to answer it, it is up to Mr. Brett. But as a matter of curiosity, because of the statement Mr. Brett just made, on a matter that was not introduced by the Auditor General, by the way, should members of the government side would get priority because they are colleagues, and it is easier to deal with someone who is your friend than someone who is the enemy, who calls you names 365 days a year? Do you subscribe to that policy, Mr. Brett?

MR. BRETT:
I do not have to subscribe to that policy. It is irrelevant. I earlier asked the question. Is the Auditor General questioning where the money was spent, whether it was spent in Conservative districts or Liberal districts? And, if he is not, then the matter is not relevant. So I do not have to subscribe to any policy or not.

MR. NEARY:
All right, let the Auditor General answer it.

Mr. McGrath.

MR. MCGRATH:

Mr. Chairman, you can talk about politics if you wish but I do not wish to comment on politics. I would just like to explain once again where the Auditor General is coming from. This is a Management Manual of Government put out under the signature of The Minister of Finance (Dr. Collins). He says, 'Departmental personnel are expected to abide by the direction and guidelines contained therein.' So it is my responsibility, as the Auditor General, to take the various chapters that are included in this manual during the audit process and to make sure that have been adhered to.

Now I found it extremely difficult, Mr. Chairman, in performing the audit on the Department of Transportation to identify what particular projects had been agreed upon by the House of Assembly to be completed during the fiscal year 1983-1984 because of the block funding provision. As an auditor I have to have a base to start from. Now I see in there $20 million, and then within a month or so I see that increased by an additional $5 million, so now I have approximately $26 million worth of expenditure to audit.

Now what Mr. Brett has said is absolutely right as well: It is up to the government to decide where they are going to spend their money with respect to building bridges, or constructing roads, or putting up dams, or ditching or whatever. That is fine. That is government policy and it is what the government has been elected by the people to do, but the House of Assembly has been elected by the people to vote the money to the Executive, which is the government of the day. As Auditor General I need a list of the approved projects approved by the House of Assembly so that I can begin my audit and report to the House of Assembly. I do not report to the government, I have to report back to the House of Assembly whether the money was spent in accordance with the spending plan that was approved by the Legislature, and it is as simple and straightforward as that, Mr. Chairman. The control of the public purse has to remain with the Legislature, and that is what I am arguing. I am not arguing politics, I do not want to be involved in politics.

Appendix III

In his comments, the Auditor General indicates that the emphasis in the budgetary process is on the 'priorization of projects.' The Department of Transportation accepts this philosophy and the projects put forward reflect the priorities as viewed by the officials of the department. When the allocations are made by Cabinet it is done from that perspective with the benefit of this advice from the officials. The department finds no fault with that system.

With regard to the Auditor General's quote from the Management Manual that 'the size of the total capital budget does not change substantially from year to year,' the department feels that this should not be interpreted to mean that there cannot be a realignment of funds within the capital budget and, as such, the department presents a package that, while including essential and high priority requirements, is likely to be substantially in excess of the available funding. I might just add, as you can appreciate, the department has many demands made on its resources from delegations, correspondence, letters, and from MHAs. We compile these, and we submit them to the government in a priority list compiled by the officials. The department feels it has a responsibility to put forward those legitimate requirements and demands that are made on it each year. Government can then decide on its overall priorities within the funding that is available.

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The Auditor General's recommendation is that, for budgetary control purposes, the provision of block funding for capital roads projects, be discontinued. In his opinion, this would avoid the necessity of obtaining supplementary funding. However, government is within its rights to approve supplementary funding for any programme after the budget is presented to the House, as long as the appropriate legislative procedures are followed. If, subsequent to a budget, government decides that additional funding is to be provided for any expenditure area, the prior tabling of an original list of projects in the House would not necessarily have any impact on any such decision.

In the department's view, the procedure that was followed in 1983/84 was not contrary to any legislative or regulatory requirements. The procedure of block funding applies to other programme areas as well, where specific details of how the funds are distributed are not decided until sometime after the budget is passed.

Appendix IV

Evidence

The evidence disclosed a fundamental disagreement between the Auditor General and his officials and Department of Transportation and Treasury Board representatives. The Auditor General told the Committee that in his opinion the requirements of Government's Financial Management Manual had not been met. A spokesman from the Auditor General's Department quoted the following portion of the Manual: "Uncommitted projects are subject to a more rigorous review. Full details of each project, the benefits to be achieved, the total cost, as well as the cash flow requirements and the present value of the total construction cost, are reviewed." The spokesman told the Committee that the information referred to in this quotation was not made available. Rather a list was drawn up showing the total amounts to be expended by electoral district. The omission of this information the Committee was told was a departure from the norm in that the auditor usually receives a copy of the budget booklet with detailed notes on a separate list, referred to in the detailed notes, of projects to be carried out. In this case reference was made to an attached list but the list was not provided.

The Auditor General told the Committee that he could not do an audit of the roads programme without a detailed list of the individual projects.

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The Deputy Minister of Transportation maintained that all requirements had been compiled with. Mr. White stated that the Department did compile a list of projects in order of priority which it presents to Government. The Deputy Minister added that the fact that the size of the capital budget did not change substantially from year to year did not preclude a realignment of funds within a budget. Mr. White disagreed as well with the Auditor General's contention that if block funding were discontinued there would be no need for supplementary funding. The Deputy Minister said that the prior tabling of a list of projects which had been approved would not have any impact on the need for supplementary funding. The Committee was told that block funding was provided in other departments.

The Auditor General advised the Committee that he might find it necessary to look into block funding in other areas.

The Secretary to Treasury Board agreed with the Deputy Minister that there was no deficiency in the budgetary procedures followed. Mr. Kennedy pointed out to the Committee that the purpose of the Manual was to apprise officials of their responsibilities and of the manner in which they should compile and forward information to Treasury Board or Cabinet. In the Secretary's opinion

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the information on the roads projects was provided in accordance with the procedures in the Manual.

There was some discussion of the propriety of and the need for the Special Warrants obtained to provide extra funding for the roads projects. Some Members expressed the opinion that there should not have been a Special Warrant so soon after the budget was brought down. Officials told the Committee that the Special Warrant had been obtained in accordance with the provisions of the Financial Administration Act. The Auditor General agreed that The Financial Administration Act had been complied with. The Secretary to Treasury Board informed the Committee that it was not unusual for Government to expand funding for an existing programme by way of a Special Warrant.

Some Members expressed the opinion that the Auditor General was straying into the area of government policy, others that the allocation of the funds in this case had political implications.

Findings

The Committee cannot ascertain whether the guidelines in the Management Manual were adhered to without having access to the precise information which was presented to Cabinet for its consideration. Even with the benefit of

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this knowledge the Committee suspects there would be differences of opinion over the adequacy of the information supplied. It is difficult for the Auditor General to carry out the audit which he is enjoined to perform by S60(1) of the Financial Administration Act, without the information he requires.

Recommendation

The Committee recommends that Government co-operate with the Auditor General by providing him in a timely fashion the information he requires to carry out his statutory duties.

THE PUBLIC ACCOUNTS COMMITTEE

IN THE

NORTHWEST TERRITORIES

an update of the 1981 report of the
Canadian Comprehensive Auditing Foundation
- IMPROVING ACCOUNTABILITY

Prepared by:

K. Noel Montagano,
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July 1986

In September 1980 a study, Improving Accountability, conducted by John J. Kelly and Hugh R. Hanson on behalf of the Canadian Comprehensive Auditing Foundation, got under way. The resulting report, "examines Canadian Public Accounts Committees and legislative auditors and provides detailed, comparative descriptions of their individual characteristics and operations. It also identifies those features that seem to contribute to effective operation and makes recommendations for general adoption of useful features found in various jurisdictions."

The study provided comparative information from all jurisdictions in Canada with two exceptions, Quebec and the Northwest Territories. The former because it had not met in over five years at the time of the study; the latter because its Public Accounts Committee was just being formed.

The purpose of this paper is to provide information, now, that details the development of the Public Accounts Committee of the N.W.T. Legislative Assembly. Readers will note that nearly all of the recommendations made in the Kelly/Hanson report have been adopted. This results from the fact that their report was the primary resource tool used in the formation of our Committee. Certainly the advice of the Office of the Auditor General for Canada was accepted and incorporated wherever possible.

Government of the Northwest Territories

The Legislative Assembly is the chief political body in the Northwest Territories, recognized by the Federal government as representing all the people of the NWT.

The Assembly has powers similar to a provincial legislature - to make laws and change existing laws, to decide how public money is spent and to approve policies and programs - with the difference that all natural resources except game remain the responsibility of the Federal Government.

As elected Members assume more responsibility, the Commissioner is taking on the role of Lieutenant-Governor. Ministers introduce bills and the Assembly has the power to approve, amend or reject legislation. Private members can introduce legislation other than money bills. The Commissioner gives final assent to laws.

Members debate and pass motions giving advice to the Executive; discuss and enact legislation including approval of funds spent to provide various public services such as health care, housing and education; present petitions on behalf of their constituents; and, question the Executive to obtain information on its progress in carrying out their direction or on other matters of public interest.

The Federal government still has the power to disallow Territorial ordinances for up to one year after passage and the Commissioner, a civil servant who reports to the Federal Minister of Indian Affairs and Northern Development, is still the Chief Executive Officer of the Government of the Northwest Territories. However, no Territorial ordinance has ever been disallowed by Ottawa and the Commissioner has stated his intention of following the direction of the Legislative Assembly.

Unlike the provinces, members do not belong to political parties and each member seeks election as an independent.

During its sessions, the Assembly operates according to standard parliamentary rules for debate, with some modifications to allow for northern circumstances. The Assembly frequently refers questions to a Committee of the Whole, for example, where a more informal discussion can take place. This procedure is well-suited to an Assembly which attempts to make decisions by consensus.

The Assembly is also unique in travelling to hold sessions in widely-scattered northern communities as well as in the capital city of Yellowknife. This has allowed local residents to see the Assembly in action and helps familiarize Members with areas outside their constituencies.

Sessions are to be held three times a year for a total of about 12 weeks, depending on the amount of business to be discussed. Special sessions can be called for at any time.

The Executive Council

The Executive Council, made up of eight elected Members of the Legislative Assembly and the Commissioner, is the senior decision-making body of the Government of the Northwest Territories. Similar to a provincial cabinet, its members are responsible for decisions on policies and programs, for relations with the Federal government and for the general conduct of the government.

Each member is responsible for the policies and programs within his or her assigned departments and agencies. Administrative department heads, known as deputy ministers, report directly to the ministers.

Ministers are chosen from among the members of the Assembly to serve on the Executive Council and those eight executive members select a Leader. The Government Leader is responsible for developing consensus positions with other elected members and serving as their spokesperson on matters that do not fall within individual portfolios. The Leader plays a role similar in many ways to a provincial premier.

The Standing Committee on Public Accounts

"The Public Accounts Committee is the Legislative Assembly's financial watchdog. The Committee's role is to examine how the government's money was spent, ensure it was spent in accordance with proper procedure and determine if we got value for money."

Arnold McCallum
Chairman, Standing Committee
on Public Accounts

One of the four permanent committees of the Legislative Assembly, the Standing Committee on Public Accounts is responsible for reviewing government spending to ensure it has been effective and efficient. The Committee determines if money voted by the Legislative Assembly in its annual budget was spent for the purposes approved and in the amounts approved.

The Standing Committee makes certain the Government provides the Assembly with a detailed accounting of money spent by various departments and programs and makes recommendations to the Legislature on the conduct of financial administration in government.

Development of the Committee

The Standing Committee on Public Accounts developed from the Standing Committee on Finance and Public Works, one of the first permanent committees established by the Legislative Assembly in 1969.

During the Eighth Assembly (from 1975 to 1979), the Standing Committee on Finance was established to review the Government's budget and recommend capital projects to the Government and Legislature. The Committee's activities represented an important step toward increased political influence in the administration of government.

The election of the Ninth Assembly in 1979 brought more emphasis on increased powers for the Territorial government and its elected representatives. During this period, the Standing Committee on Finance was given additional responsibilities and creation of a public accounts committee began.

Over the next several years, the portfolio of Minister of Finance was established and the Standing Committee on Finance started carrying out detailed reviews of the Government's budget.

Once the role of the Finance Committee was firmly established, the Committee carefully considered performing a public accounts function as well.

The Committee consulted with the office of the Auditor General of Canada and, in early 1982, travelled to Grise Fiord for a three-day meeting to discuss the best structure within the Legislature for reviewing the public accounts.

By the Fall Session of 1982, the Committee's recommendations were presented to the Legislative Assembly and passed unanimously. The Standing Committee on Finance became the Standing Committee on Finance and Public Accounts. Its first task was to review the Auditor General of Canada's comprehensive audit of the implementation of the government's Financial Information System.

By expanding into the area of public accounts, the Legislative Assembly was progressing towards reviewing and making recommendations on the expenditure of public money after it had been spent. It was a further step by elected representatives towards assuming fiscal responsibility. The Committee's enlarged mandate allowed for consistency and follow-up in the cycle of financial accountability.

In 1985, the Legislative Assembly passed the Legislative Assembly and Executive Council Act which recognized, in law, the need for Standing Committees within the Legislative Assembly. Under its provisions, the Standing Committee on Public Accounts was established as a separate and distinct Committee.

Operations of the Committee

The Standing Committee on Public Accounts conducts an annual review of the public accounts of the government of the Northwest Territories. The Committee examines the Annual Report of the Territorial Accounts and investigates issues raised by the Auditor General of Canada in his reports to the Legislative Assembly.

The Committee is responsible for examining government spending to ensure that it is efficient, effective and economical. Through the conduct of its review, the Committee ensures that the government provides the Assembly with a detailed accounting of money spent by the various departments and programs.

The Committee's annual review is open to allow the public to observe the Committee's proceedings. To assist in the review, the Committee calls witnesses from the Auditor General of Canada's office and various Territorial departments and agencies. A transcript of proceedings is prepared and tabled in the Legislative Assembly for review and discussion.

Reports

In accordance with its Terms of Reference, the Standing Committee on Public Accounts submits written reports to the Legislative Assembly. The reports outline the Committee's recommendations to the Legislative Assembly on the conduct of financial administration in government.

Terms of Reference

The Standing Committee on Public Accounts may, on its own authority:

(a) inquire into such matters as may be referred to it by the Legislative Assembly;

(b) review and recommend on the Territorial Accounts submitted to the Legislative Assembly annually by the Commissioner and Minister of Finance;

(c) review and recommend on the Auditor General of Canada's reports to the Legislative Assembly;

(d) investigate and inquire into those matters of a Public Accounts nature that, in the opinion of the Committee, require investigation.

Conduct of Business

1. The Standing Committee shall conduct its business in a manner approved by the Committee;

2. The Standing Committee shall appoint a chairman to chair the affairs of the Public Accounts Committee;

3. In accordance with Rule 93(1), the Standing Committee shall have the power to call for such persons, papers, and records, and to examine witnesses as, in its opinion, are necessary to the conduct of its business;

4. Five members, including the Chairman of the Standing Committee, shall form a quorum;

5. The Legislative Assembly shall provide the necessary funds to the Standing Committee required for it to carry out its responsibilities from the appropriation of the Legislative Assembly.

6. The Standing Committee, as a whole, or individual members may undertake such travel as is required to carry out the assigned responsibilities of the Committee;

7. The Standing Committee shall be empowered to retain the services of such professional staff as deemed advisable by the Committee;

8. The Standing Committee shall have the power to sit during session, adjournments and prorogations of the House;

9. The necessary administrative support shall be provided by the Legislative Assembly Office;

10. The Territorial Accounts and the Auditor General's annual report and his report on any other matters will be referred to the Standing Committee on Public Accounts after tabling in the Legislative Assembly. Notwithstanding this formal process, the Commissioner is authorized to provide these documents to the Standing Committee, in advance of tabling, to expedite the review by the Committee;

11. Meetings of the Standing Committee on Public Accounts for planning future work, briefings, reviewing progress, and drafting reports shall be closed to the public and press;

12. Other meetings of the Standing Committee on Public Accounts shall be open to the press and public, except when, in the opinion of the Committee, it is not in the interest of the public to do so;

13. When requested by the Committee, verbatim transcripts of the Standing Committee on Public Accounts Committee Hearings shall be prepared and published promptly;

14. From time to time, the Standing Committee on Public Accounts shall tender general advice and information to the Legislative Assembly on any public accounts matter.

Appendix A: Some Comparative Data on Canadian Public Accounts Committees (as of December 1980) - (1986 for NWT)

	Cda	Nfld	NS	NB	PEI	Ont	Man	Sask	Alta	BC	YT	NWT
Size of Legislature	282	52	52	58	32	125	57	61	79	57	16	24
- government members	145	34	34	30	21	57	33	44	73	31	11	8***
- oposition members	134	18	18	28	11	67	24	17	6	26	5	16
Size of PAC	20*	7*	9*	15	7	12	11	12	32	17	5*	10
- government members	11	4	5	8	4	5	7	8	27	10	3	0
- opposition members	9	3	4	7	3	7	4	4	5	7	2	10
PAC term = life of legislature	Y	Y	N	N	N	Y	Y	N	N	N	Y	Y
Chairman a member of the opposition	Y	Y	N	Y	N	Y	Y	Y	Y	Y	Y	N/A
- receives extra remuneration	N	N	N	N	N	Y	N	N	N	N	N	Y
- term = life of legislature	N	N	N	N	N	Y	Y	N	N	N	Y	Y
Vice-chairman a government member	Y	Y	N/A	Y	N/A	N	N/A	Y	N/A	Y**	Y	N/A
Steering committee appointed	Y	Y	N	N	N	Y	N	N	N	N	N	N
Number of ministers as members	0	0	3	0	0	0	2	3	5	6	1	0
Former ministers as members	1	2	3	0	2	1	2	0	2	3	1	0****
Number of research staff	2	1	0	0	0	1	0	0	0	0	1	1
Recently hired outside experts	Y	Y	N	N	N	N	N	N	N	N	N	N
Number of meetings: 1979	26	12	2	16	5	21	7	14	6	6	3	3*****
1980	19	23	5	12	3	24	4	14	9	17	18	3

* Number, or maximum number, of members specified by Standing Order
** Called Secretary and does not sit in for Chairman

Appendix A (cont'd)

	Cda	Nfld	NS	NB	PEI	Ont	Man	Sask	Alta	BC	YT	NWT
Meet during term of session	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y
Meet during recess/prorogation	N	Y	N	Y	N	Y	Y	N	N	N	Y	Y
- remuneration provided	N/A	N	N/A	Y	N/A	Y	N/A	N/A	N/A	N/A	N	Y
Fixed, regular meetings times	Y	Y	N	N	N	Y	Y	Y	Y	Y	Y	N
Hearings open to public	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y
Permit TV at hearings	N	Y	N	N	N	Y	Y	N	Y	Y	Y	N
Formal agenda prepared	Y	Y	N	Y	N	Y	N	Y	Y	N	Y	Y
Verbatim transcript prepared	Y	Y	N	N	Y	Y	Y	Y	Y	Y	Y	Y
Executive minutes prepared	Y	Y	Y	N	N	Y	N	Y	Y	Y	Y	N
Written notification of witnesses	Y	Y	N	Y	N	Y	N	Y	Y	N	Y	Y
Ministers often primary witnesses	N	Y	N	N	N	N	Y	N	Y	N	N	N
Public servants often primary witnesses	Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	Y
Formal procedures limiting questioning	Y	Y	N	N	N	N	N	N	Y	N	N	N
Quorum usually present	N	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Automatic referral of Public Accounts	Y	N	N	N	N	Y	N	N	Y	N	Y	Y
- Auditor's Report	Y	N	N	N	N	Y	N	N	N	Y	Y	Y
Permanent referral of above	Y	N	N	N	N	Y	N	N	N	N	Y	Y
Referral prior to tabling	N	N	N	Y	N	N	Y	N	N	N	Y	Y

Appendix A (cont'd)

	Cda	Nfld	NS	NB	PEI	Ont	Man	Sask	Alta	BC	YT	NWT
1980 % time spent on: Public Accounts	5	-	5	94	-	-	20	60	31	5	12	-
- Auditor's Report	79	61	80	6	23	50	80	20	47	50	44	-
- Organization, etc.	16	35	-	-	10	20	-	20	9	30	44	-
- Other	-	4	15	-	67	30	-	-	13	15	-	-
PAC report contains recommendations	Y	Y	N	N	N	Y	N	Y	N	N	Y	Y
- report prepared at closed meeting	Y	Y	N/A	N/A	N/A	Y	N	Y	N/A	N/A	Y	N
- PAC report debated in legislature	N	N	N	N	N	Y	N	Y	N	N	Y	Y
Procedures for following up recommendations	Y	N	N/A	N/A	N/A	Y	N/A	Y	N/A	N/A	Y	Y

*** Eight M.L.A.'s are elected to an Executive Council. There is no formal party - style government and opposition.

**** No ministers or former ministers are required under the terms of reference, however, in 1986 3 former ministers are in the committee.

***** 1985 and 1986

NOTE: This Appendix is reproduced, with permission, from Improving Accountability, by John J. Kelly and Hugh R. Hanson, pg. 121 - 123 (published by Canadian Comprehensive Auditing Foundation, Ottawa, Ontario).

Appendix B: Some Comparative Data on Canadian Legislative Auditors
(as of December 1980) - (1986 for NWT)

	Cda	Nfld	NS	NB	PEI	Que	Ont	Man	Sask	Alta	BC	NWT
Attests to financial statements	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	Y
Statutory mandate specifies												
- economy	Y	N	N	N	Y	N	Y	N	N	Y	Y	N
- efficiency	Y	N	N	N	Y	N	Y	N	N	Y	Y	N
- effectiveness	Y	N	N	N	Y	N	Y	N	N	Y	N	N
Statute provides for work asssigments by												
- legislature	N	N	N	N	N	N	Y	N	N	Y	N	Y
- PAC	N	N	N	N	N	N	Y	N	N	N	N	N
- government	Y	Y	Y	Y	Y	Y	Y	N	N	Y	Y	N/A
- may decline government assignments	Y	N	N	N	N	N	Y	Y	N	Y	Y	N/A
Performs pre-audit of expenditures	N	N	N	N	N	N	N	Y	N	N	N	N
Government may require pre-audit	N	Y	Y	N	N	N	N	N/A	N	N	N	Y
Working papers confidential by statute	N	N	N	N	N	N	Y	N	N	Y	N	N
Full right to Crown agency information	N	N	Y	N	Y	N	Y	N	Y	Y	Y	Y
Statutory provisions for inspection audits	N	N	N	N	N	Y	Y	Y	N	N	N	N
- only on instruction by government	N	N	N	Y	N	N/A	N/A	N/A	Y	N	N	N
Must report by December 31 or earlier	Y	N	N	N	N	Y	Y	Y	N	N	N	N
Presents report to Speaker for tabling	Y	N	Y	N	N	N	Y	N	N	N	N	N
Regularly incorporates auditee responses	Y	N	N	N	N	N	Y	Y	N	N	N	Y
Statutory discretion re inconsequential matters	Y	N	N	N	Y	Y	Y	Y	N	Y	Y	Y

Appendix B (cont'd)

	Cda	Nfld	NS	NB	PEI	Que	Ont	Man	Sask	Alta	BC	NWT
Provision for special report to legislature	Y	N	N	N	N	N	Y	Y	N	Y	Y	Y
Designated as Officer of the Legislature	N	N	N	N	N	Y	Y	N	N	Y	Y	N
Some role for legislature in Auditor appointment	N	N	N	N	Y	Y	Y	N	N	Y	Y	N
Statute provides for temporary replacement	Y	Y	Y	N	Y	N	Y	Y	Y	Y	Y	N
- time limit on temporary appointment	N	N	N	N	N	N	N	N	N	Y	Y	N/A
Term of Auditor appointment fixed	Y	N	N	N	N	Y	N	Y	N	Y	Y	Y
- fixed term is non-renewable	Y	N/A	N/A	N/A	N/A	Y*	N/A	N	N/A	N	N	N/A
Government constrained re setting Auditor's salary	Y	Y	Y	Y	N	Y	Y	Y	N	Y	Y	N/A
- tied to other salaries by statute	Y	N	N	N	N	N	Y	Y	N	N	Y	N/A
- legislators involved in setting salary	N**	N	N	N	N	Y	Y	N	N	Y	N	N/A
Legislators review Auditor's proposed budget	N	N	N	N	Y	N	Y	N	N	Y	N	N
Provision for special report if estimates inadequate	Y	N	N	N	N	N	N	Y	N	N	Y	N/A
Auditor free of central personnel controls	Y	N	N	N	N	N	Y	N	N	N	N	N/A
Statutory provision for audit of audit office	Y	N	N	Y	Y	Y	Y	Y	N	Y	Y	N/A
- performed by independent auditor	Y	N/A	N/A	N	Y	N	Y	N	N	Y	Y	N/A

* May be extended up to age 65 until successor appointed
** Only indirectly through periodic passage of amendments to the Judges Act

Appendix B (cont'd)

	Cda	Nfld	NS	NB	PEI	Que	Ont	Man	Sask	Alta	BC	NWT
- reports to legislature or committee	N	N/A	N/A	Y	Y	Y	Y	Y	N	Y	Y	N/A
- report tabled in legislature	Y	N/A	N/A	Y	N	Y	Y	Y	N	Y	Y	N/A
Auditor has separate statute	Y	N	Y	N	Y	N	Y	Y	N	Y	Y	N/A
Legislature committee to oversee Auditor	N	N	N	N	Y	N	Y	N	N	Y	N	N/A

NOTE (1): The Auditor General of Canada, by virtue of the NWT Act and the Financial Administration Act of the NWT, acts as Auditor for the Government of the N.W.T.

NOTE (2): Appendix reproduced, with permission, Improving Accountability, Pg. 124-127.

Appendix C: Relationships between Public Accounts Committees and Legislative Auditors (as of December 1980) - (1986 for NWT)

	Cda	Nfld	NS	NB	PEI	Ont	Man	Sask	Alta	BC	YT	NWT
PAC asks Auditor to attend all PAC hearings	Y	Y	N	N	N	Y	Y	Y	Y	N	Y	Y
Auditor advises on PAC agenda and schedule	Y	Y	N	N	N	Y	N	Y	N	N	Y	Y
Auditor attends all PAC report drafting meetings	N	N	N/A	N/A	N	Y	N/A	Y	N/A	N/A	Y	N/A
Auditor helps in briefing PAC before meetings	Y	Y	N	N	N	Y	N	N	N	N	Y	Y
Auditor helps PAC follow up its recommendations	N	N	N/A	N/A	N/A	Y	N/A	N	N/A	N/A	N	Y

DEVELOPING PERFORMANCE MEASUREMENT INDICATORS IN YUKON: WATCHING MOUNTAINS GROW

Background Paper
Standing Committee on Public Accounts
Yukon Legislative Assembly

Prepared for
Eighth Annual Meeting
Canadian Council of
Public Accounts Committees
Regina, Saskatchewan
July 6-9, 1986
Presented by Jim McLachlan
Vice-Chairman, Yukon PAC

BACKGROUND PAPER FOR PAC CONFERENCE, JULY, 1986

FOR A NUMBER OF YEARS NOW THE YUKON PUBLIC ACCOUNTS COMMITTEE HAS BEEN INTERESTED IN PERFORMANCE MEASUREMENT INDICATORS BUT AS THEY RELATE TO ACTIVITIES AND PROGRAMS RATHER THAN TO AN INDIVIDUAL'S PERFORMANCE. THE COMMITTEE REPRESENTED HERE IN REGINA IS A RELATIVELY YOUNG--OR SHOULD I SAY "NEW"--ONE APPOINTED IN JULY OF 1985 BUT OUR PREDECESSORS WERE ASKING THE BUREAUCRACY BACK IN 1981 TO BRING FORWARD PERFORMANCE MEASUREMENT INDICATORS. UNFORTUNATELY I HAVE TO REPORT THAT THE COMMITTEE SEEMED TO BE BEATING ITS COLLECTIVE HEAD AGAINST A BRICK WALL OVER THE YEARS IN THAT DEPARTMENTS DREDGED UP EVERY CONCEIVABLE EXCUSE NOT TO DEVELOP AND IMPLEMENT SUCH INDICATORS. FOR EXAMPLE, THE COURT SERVICES BRANCH OF JUSTICE TOLD THE COMMITTEE THAT THEY DIDN'T NEED PERFORMANCE INDICATORS BECAUSE IF THE LAWYERS AND THE PUBLIC WEREN'T HAPPY WITH THE SERVICES PROVIDED THEY WOULD CALL AND GIVE COURT SERVICES HELL. COURT SERVICES THEREFORE CONCLUDED THEY WERE DOING A GREAT JOB AS THEIR PHONE JUST WASN'T RINGING.

THE COMMITTEE STRONGLY BELIEVES THAT THE INTRODUCTION OF EASY-TO-UNDERSTAND MEANINGFUL PERFORMANCE INDICATORS IS IMPORTANT AS A BASIC MANAGEMENT TOOL AND AS A MEANS OF PROVIDING THE LEGISLATIVE ASSEMBLY WITH SOME OF THE INFORMATION IT REQUIRES TO ASSESS BUDGETARY REQUIREMENTS AND ACHIEVEMENTS. THE INFORMATION PRODUCED BY PERFORMANCE MEASUREMENT SYSTEMS IS OF GREAT VALUE IN RESOURCE ALLOCATION BECAUSE IT PROVIDES DATA ON PAST AND PRESENT LEVELS OF PERFORMANCE AND IS THEREFORE A GUIDE TO ASSIST IN ASSESSING FUTURE REQUIREMENTS.

WELL, YOU MIGHT ASK, JUST HOW IS PERFORMANCE TO BE MEASURED, ESPECIALLY WHEN THERE IS SUCH A DIVERSITY OF GOVERNMENT PROGRAMS AND OPERATIONS? THE PROCESS IS ACTUALLY QUITE SYSTEMATIC AND STRAIGHTFORWARD, AT LEAST ACCORDING TO THE FEDERAL TREASURY BOARD, WHICH LAID OUT THE PRINCIPAL STEPS AS FOLLOWS:

A) DETERMINE WHAT OUTPUTS (THAT IS, GOODS AND SERVICES), ARE PRODUCED;
B) DETERMINE THE NUMBER OF EACH KIND OF OUTPUT PRODUCED IN A GIVEN PERIOD;
C) ALLOCATE TO EACH OUTPUT THE COST OF PRODUCING IT;
D) CALCULATE THE EFFICIENCY RATIO FOR EACH OUTPUT;
E) CALCULATE EFFICIENCY RATIOS FOR SEVERAL PERIODS AND DETERMINE HOW THEY HAVE VARIED;
F) IDENTIFY THE APPROPRIATE SERVICE INDICATORS FOR EACH OUTPUT AND DETERMINE HOW THEY HAVE VARIED OVER TIME;
G) DETERMINE HOW THE OUTPUTS CONTRIBUTE TO THE ACHIEVEMENT OF OBJECTIVES AND IDENTIFY EFFECTIVENESS INDICATORS; AND
H) DEVELOP A SIMPLE MEANS OF RELIABLY REPORTING PERFORMANCE INFORMATION, TOGETHER WITH THE RELEVANT FINANCIAL DATA, TO THE RESPONSIBLE MANAGERS IN A REGULAR, TIMELY MANNER.

NEEDLESS-TO-SAY, EFFICIENCY MEASURES MAY NOT BE APPROPRIATE FOR CERTAIN LINE OPERATIONS WHERE OUTPUTS ARE DIFFICULT TO IDENTIFY OR WHERE THEY MAY VARY GREATLY. ACTIVITIES THAT ARE GEARED TO CAPITAL-TYPE PROJECTS SUCH AS BUILDINGS AND ROAD CONSTRUCTION ARE EASIER TO MEASURE THAN THOSE PROJECTS WHICH PRODUCE A STUDY OR POSITION PAPER. PERFORMANCE MEASUREMENT WORKS BEST WHEN A LOT OF PEOPLE ARE DOING A SIMILAR TYPE OF FUNCTION OR ARE PROVIDING A SIMILAR SERVICE OVER A LONG PERIOD OF TIME. IT MUST BE STRESSED, HOWEVER, THAT IT FOCUSES ON PROGRAMS AND ACTIVITIES WITHIN A DEPARTMENT, NOT ON INDIVIDUALS FOR WHOM THERE IS A COMPLETELY DIFFERENT EVALUATION SYSTEM.

LET ME BRING FORWARD A CONCRETE ILLUSTRATION OF WHAT OUR PUBLIC ACCOUNTS COMMITTEE HAS FOUND OVER THE YEARS. BACK IN THE EARLY '80'S, MEMBERS ASSUMED THAT MANAGERS KNEW THEIR DEPARTMENTS, KNEW WHY THEY DID CERTAIN THINGS AND THAT ALL DEPARTMENTAL ACTIVITIES RELATED TO DEPARTMENTAL OBJECTIVES. HOWEVER AS QUESTIONS WERE ASKED DURING OUR FORMAL HEARINGS IT BECAME EVIDENT THAT THESE MANAGERS DID NOT REALLY KNOW VERY MUCH AT ALL ABOUT THESE SORTS OF THINGS.

EACH YEAR OUR COMMITTEE CHOOSES TWO OR THREE DEPARTMENTS FOR AN INDEPTH REVIEW OF THEIR ACTIVITIES. IN 1984 OUR PREDECESSORS CALLED THE DEPARTMENT OF ECONOMIC DEVELOPMENT BEFORE IT FOR SUCH A MAJOR REVIEW. LET ME SET THE BACKGROUND BY QUOTING DIRECTLY FROM THE 1984 PAC REPORT:

> THE STRENGTH OF THE DEPARTMENT OF ECONOMIC DEVELOPMENT LIES IN ITS HUMAN RESOURCES. THE MANAGEMENT OF THAT RESOURCE IS CONSEQUENTLY OF CRUCIAL IMPORTANCE. ACCORDING TO THE TESTIMONY, THE DEPARTMENT MANAGES ITS HUMAN RESOURCES MOSTLY ON AN AD HOC BASIS RESPONDING TO REQUESTS AS THEY COME UP AND DOING WHAT THEY BELIEVE IS THEIR BEST WITH EXISTING RESOURCES.
>
> BEFORE BEGINNING A STUDY OR RESEARCH PROJECT, THE DEPARTMENT 1) DOES NOT ESTABLISH A BUDGET EITHER IN TIME REQUIREMENTS OR AN ESTIMATED COST. IN ADDITION, THE DEPARTMENT 2) DOES NOT KEEP A RECORD OF TIME SPENT NOR 3) DOES IT ACCUMULATE COSTS RELATED TO ECONOMIC STUDIES, RESEARCH ACTIVITIES OR POSITION PAPERS.
>
> CONSEQUENTLY, THE DEPARTMENT COULD NOT AT THIS TIME IDENTIFY THE COST OF ITS VARIOUS STUDIES OR UNDERTAKINGS EXCEPT IN THE CASE OF STATISTICAL STUDIES WHERE THE DEPARTMENT BELIEVES IT COULD EXTRACT SOME INFORMATION IN RELATION TO TIME SPENT.
>
> A FUNDAMENTAL PRINCIPLE OF HUMAN RESOURCE MANAGEMENT IS TO ESTABLISH CLEAR GOALS AND OBJECTIVES AGAINST WHICH PERFORMANCE CAN BE MEASURED. IT IS ALSO FUNDAMENTAL FOR MANAGERS TO PLAN AND BUDGET THEIR ACTIVITIES BEFORE COMMENCING PROJECTS. IT IS ALL THE MORE ESSENTIAL TO PLAN PROPERLY AND TO SET GOALS IN AN AREA LIKE ECONOMIC DEVELOPMENT AS THE EXTENT OF RESEARCH ACTIVITIES, THE DEPTH OF STUDIES UNDERTAKEN OR THE SHEER VOLUME OF POSITION PAPERS CAN VARY GREATLY IF NOT PROPERLY BUDGETED FOR AND CONTROLLED.
>
> UNLESS THIS IS DONE THERE IS NO ASSURANCE THAT THE GOVERNMENT IS GETTING VALUE FOR MONEY FROM THE DEPARTMENT'S RESOURCES. ALSO, THERE IS NO ASSURANCE THESE RESOURCES ARE NOT WASTED ON PROJECTS FOR WHICH THERE IS NO COST BENEFIT. IN ADDITION, UNLESS THESE ACTIVITIES ARE QUANTIFIED AND COSTED, THERE IS NO SUPPORT IN SUBSTANCE FOR RESOURCES REQUESTED IN THE ESTIMATES. THE LEGISLATURE THEN HAS NO ASSURANCE THAT THE RESOURCES WILL BE UTILIZED WITH DUE REGARD TO ECONOMY AND EFFICIENCY AS THERE ARE NO PERFORMANCE INDICATORS OF ANY DIMENSION IN EXISTENCE.
>
> THE COMMITTEE STRONGLY BELIEVES IN THESE FUNDAMENTAL PRINCIPLES OF HUMAN RESOURCE MANAGEMENT AND DEPLORES THE FACT THE DEPARTMENT HAS ALMOST TOTALLY IGNORED THEM.

THE COMMITTEE MADE THE FOLLOWING RECOMMENDATION:

THE DEPARTMENT SHOULD IMMEDIATELY TAKE PROPER MEASURES TO DEVELOP AND IMPLEMENT THE NECESSARY MANAGEMENT PROCESSES IN ORDER TO CONTROL BETTER ITS RESOURCES, TO ESTABLISH PERFORMANCE INDICATORS, AND TO BE ACCOUNTABLE FOR THE MANAGEMENT OF ITS HUMAN RESOURCES IN THE CONDUCT OF THE VARIOUS PROJECTS FOR WHICH IT IS RESPONSIBLE.

THE REPORT CONTINUED:

AN OBJECTIVE OF THE PUBLIC ACCOUNTS COMMITTEE WHICH IS SHARED BY THE GOVERNMENT IS TO GET MORE RELEVANT INFORMATION IN THE ESTIMATES WHICH CAN EVENTUALLY BE RECKONED IN THE PUBLIC ACCOUNTS AND THUS CLOSE THE ACCOUNTABILITY CIRCLE.

THE DEPARTMENT INFORMED THE COMMITTEE THAT IT HAD REDEFINED ITS DEPARTMENTAL OBJECTIVES AND SIGNIFICANTLY IMPROVED ON THE DEFINITION OF ITS BRANCH OBJECTIVES. HOWEVER, PERTINENT INFORMATION OF A MORE QUANTIFIABLE NATURE WOULD PERMIT THE READER TO VISUALIZE SOME OF THE PLANNED ACHIEVEMENTS. IDEALLY, PERFORMANCE INDICATORS WOULD PERMIT LINKAGE BETWEEN THE DEPARTMENT'S OBJECTIVES AND ITS ACCOMPLISHMENTS.

A FURTHER IMPROVEMENT TO A LISTING OF PLANNED ECONOMIC STUDIES, SIGNIFICANT RESEARCH ACTIVITIES AND DEVELOPMENT OF MAJOR POSITION PAPERS WOULD BE AN ESTIMATE OF THE COSTS OR PLANNED UTILIZATION OF RESOURCES. THIS WOULD TIE TOGETHER PLANNED ACTIVITIES AND REQUESTED RESOURCES.

THE COMMITTEE RECOMMENDED THAT:

THE DEPARTMENT SHOULD INCLUDE IN ITS ESTIMATES DOCUMENT, WHEREVER POSSIBLE, PLANNED ACTIVITIES SUPPORTED BY PERFORMANCE INDICATORS JUSTIFYING ITS REQUEST FOR FUNDS IN ORDER TO CREATE A BASE FOR FUTURE ACCOUNTABILITY.

WHEN THAT COMMITTEE FOLLOWED UP ON THE STATUS OF ITS RECOMMENDATIONS IN 1985, THE DEPARTMENT, UNDER THE SAME DEPUTY MINISTER, ADVISED THE COMMITTEE THAT IT HAD NOT TAKEN ANY ACTION REGARDING PERFORMANCE INDICATORS. THE RATIONALE FOR THIS WAS THAT THE DEPARTMENT OF FINANCE HAD ESTABLISHED A COMMITTEE ON PROGRAM EVALUATION AND THE DEPARTMENT OF ECONOMIC DEVELOPMENT WAS WAITING FOR THAT COMMITTEE TO GIVE IT DIRECTION. LET ME TELL YOU THAT WE HAVE HEARD EVERY POSSIBLE EXCUSE IN THE BOOK FOR DELAYING THE IMPLEMENTATION OF INDICATORS, BUT THE ESTABLISHMENT OF THE PROGRAM EVALUATION COMMITTEE HAS BEEN USED AS THE PRIMARY EXCUSE BY PRACTICALLY EVERY DEPARTMENT FOR DEFERRING ACTION. HOWEVER, IT WOULD APPEAR THAT THE PAC WAS SINGULARLY UNIMPRESSED WITH THE TOTAL LACK OF PROGRESS IN THE DEPARTMENT OF ECONOMIC DEVELOPMENT.

IN JANUARY, 1986, OUR NEWLY-APPOINTED COMMITTEE CALLED THE DEPARTMENT ONCE AGAIN FOR A MAJOR REVIEW--A MOST UNUSUAL OCCURRENCE IN THAT A DEPARTMENT IS USUALLY SUBJECT TO A MAJOR REVIEW ABOUT EVERY FIVE YEARS AND THIS ONE WAS CALLED TWICE WITHIN THREE YEARS. MEANWHILE,

BACK AT THE RANCH, A NEW DEPUTY MINISTER WAS IN THE SADDLE AND, AS WE WERE SUBSEQUENTLY TO DISCOVER, HAD WHAT APPEARED TO BE VERY EFFECTIVE CONTROL OF THE REINS. I WILL QUOTE FROM THE 1986 PAC REPORT:

> IN HIS OPENING STATEMENT TO THE COMMITTEE, THE DEPUTY MINISTER SUMMARIZED A NUMBER OF PROBLEMS IN THE DEPARTMENT THAT THE PAC HAS IDENTIFIED OVER THE LAST TWO YEARS:
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> - A LACK OF CLARITY AS TO CENTRES OF RESPONSIBILITY FOR ACTIVITIES WITHIN THE DEPARTMENT AND WITH OTHER LINE DEPARTMENTS;
> - A LACK OF A COHERENT APPROACH OR SYSTEMS FOR MANAGING THE HUMAN RESOURCES OF THE DEPARTMENT AND ALLOCATING THOSE RESOURCES EFFICIENTLY AND EFFECTIVELY; AND
> - A LACK OF AN APPROACH TO MEASURING PROGRAM EFFECTIVENESS AND ABSENCE OF AN ESTABLISHED SET OF PERFORMANCE INDICATORS FOR BOTH DEPARTMENTAL PROGRAMS AND THEIR MANAGERS.
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> HE THEN TOLD THE COMMITTEE THAT HE IS ACTIVELY ADDRESSING THESE PROBLEMS AND GAVE SOME SPECIFIC EXAMPLES AS TO HOW HE PLANS TO RECTIFY THEM.
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> THE DEPARTMENT DECIDED TO USE THE OPPORTUNITY OF ITS 1986/87 ESTIMATES' PREPARATION AS A VEHICLE FOR REDRESS. SENIOR MANAGEMENT IDENTIFIED FOR THE DEPARTMENT AND EACH OF ITS BRANCHES A SET OF GOALS, MEASURABLE OBJECTIVES, THE REQUIRED HUMAN AND FINANCIAL RESOURCES, PREFERRED METHODS OF ADMINISTERING EACH ACTIVITY, AND THE REQUIRED REPORTING RELATIONSHIPS. THE DEPUTY MINISTER NOTED THAT A SET OF MEASURABLE INDICATORS HAS BEEN FORMULATED TO ALLOW THE DEPARTMENT TO MEASURE THE EFFICIENCY AND EFFECTIVENESS OF EACH ACTIVITY IN TERMS OF ITS STATED OBJECTIVE.
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> THE PAC WAS PLEASED TO NOTE THAT THE DEPUTY MINISTER DID NOT CITE THE EXISTENCE OF THE PROGRAM EVALUATION COMMITTEE AS AN IMPEDIMENT TO THE DEPARTMENT'S ESTABLISHING ITS OWN PERFORMANCE MEASUREMENT INDICATORS. THE DEPUTY MINISTER STATED THAT HE THINKS THAT, IN THE MANAGEMENT OF PROGRAMS, IT IS THE ROLE OF DEPARTMENTAL MANAGERS AND DEPUTY MINISTERS TO ESTABLISH OBJECTIVES AND MEASURABLE RESULTS AND OF THE MINISTER TO SANCTION THEM. HE FEELS IT IS THE ROLE OF THE PROGRAM EVALUATION COMMITTEE TO TAKE THE DATA GENERATED BY THE DEPARTMENT, AND, AGAINST THAT, EVALUATE THE PROGRAMS.

HOWEVER, IN DISCUSSIONS WITH MOST OF THE DEPARTMENTS DURING THE JANUARY FORMAL HEARINGS, THE COMMITTEE WAS NOT IMPRESSED WITH THE GENERAL LACK OF ACTION THROUGHOUT GOVERNMENT REGARDING THE ESTABLISHMENT OF A PERFORMANCE MEASUREMENT SYSTEM. LET ME REITERATE THAT THE COMMITTEE HAS NOT BEEN LOOKING FOR A COMPLICATED AND PERFECT SYSTEM. THERE SEEMS TO BE RELUCTANCE ON THE PART OF SOME DEPARTMENTS TO COME FORWARD WITH ANY SORT OF PERFORMANCE MEASUREMENT UNTIL THEY CAN PRESENT A SOPHISTICATED END-PRODUCT. THE COMMITTEE IS SIMPLY ASKING THAT EACH DEPARTMENT IDENTIFY AND UTILIZE A FEW BASIC INDICATORS TO SHOW INTENT AND SOME COMMITMENT TO THIS CONCEPT. AS TIME GOES BY, THE INDICATORS CAN BE REFINED AND SUPPPLEMENTED.

THE COMMITTEE IS AWARE THAT DEPARTMENTAL STAFF MAY HAVE VARYING INTERPRETATIONS AS TO WHAT CONSTITUTES MEANINGFUL PERFORMANCE INDICATORS AND RECOGNIZES THAT THOSE INDICATORS WILL VARY CONSIDERABLY DUE TO THE DIVERSITY OF GOVERNMENT PROGRAMS AND OPERATIONS. WHILE THE PAC FEELS THAT THE PROGRAM EVALUATION COMMITTEE (ESTABLISHED PURSUANT TO MANAGEMENT BOARD DIRECTIVE) SHOULD NOT BE USED AS A DELAYING TACTIC FOR THE DEVELOPMENT BY DEPARTMENTS OF SIMPLE BUT USEFUL INDICATORS, IT IS HOPEFUL THAT THAT COMMITTEE WILL PROVIDE OVERALL LEADERSHIP TO THE DEPARTMENTS IN THE INITIAL STAGES OF DEVELOPMENT OF THESE INDICATORS SO THAT THEY CAN BE INTRODUCED AS SOON AS POSSIBLE AND COMPLEMENT THE FORTHCOMING PROGRAM EVALUATION SYSTEM.

THE COMMITTEE DOES NOT FEEL THAT IT IS BEING TOO DEMANDING OR UNREALISTIC IN REQUESTING SUCH BASIC PLANNING, EVLUATION AND CONTROL TOOLS. FROM THE RESPONSE THAT THE GOVERNMENT LEADER GAVE IN THE HOUSE IN APRIL TO THE 1986 PAC REPORT IT WOULD APPEAR THAT THE PAC HAS FINALLY MADE SOME HEADWAY IN ITS PUSH FOR A PERFORMANCE MEASUREMENT SYSTEM.

I WOULD LIKE TO QUOTE HON. MR. PENIKETT'S COMMENTS FROM HANSARD:

> "I NOTE THAT THE COMMITTEE REPORT PLACES SPECIAL EMPHASIS ON THE NEED FOR THE INTRODUCTION OF EASILY-UNDERSTOOD AND MEANINGFUL PERFORMANCE INDICATORS, WHICH WILL ENABLE THE LEGISLATIVE ASSEMBLY TO ASSESS BUDGETARY REQUIREMENTS AND ACHIEVEMENTS.
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> WE FULLY SUPPORT THIS RECOMMENDATION, AND WE HAVE ALREADY TAKEN SOME STEPS TO MAKE SOME POSITIVE PROGRESS IN THIS DIRECTION. AS YOU ARE AWARE, WE HAVE ALREADY COMPLETELY REWORKED THE DEPARTMENTAL AND PROGRAMS OBJECTIVES IN THE MAIN O&M ESTIMATES FOR 1986-87 TO REFLECT, WE HOPE, MORE ACCURATELY, THE SPENDING THRUST OF THE GOVERNMENT. THIS IS THE FIRST ESSENTIAL STEP. IN ADDITION, WE HAVE ACTIVATED THE PROGRAM EVALUATION COMMITTEE PROCESS, WHICH HAS BEEN VIRTUALLY MORIBUND SINCE THE NEW **FINANCIAL ADMINISTRATION ACT** CAME INTO EFFECT IN 1983.
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> THE CHANGES IN MEMBERSHIP OF THE COMMITTEE HAVE, UNFORTUNATELY, CAUSED SOME DELAYS. BUT THE GOVERNMENT NOW HAS, FOR THE FIRST TIME, A WORK PLAN FOR THE COMING YEAR. WE WILL BE MOVING AS QUICKLY AS POSSIBLE TO DEVELOP PERFORMANCE INDICATORS FOR THE FIRST ROUND OF PROGRAM EVALUATION. AS WE MOVE FORWARD WITH THESE FIRST EXPERIMENTAL STEPS, IT IS OUR HOPE THAT THE PROCESS CAN BE EXPANDED, AND MADE TO ENCOMPASS ALL PROGRAMS AS A NORMAL ONGOING PART OF THE BUDGETARY PROCESS.
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> I FULLY AGREE WITH THE COMMITTEE'S COMMENT THAT THE PROGRAM EVALUATION COMMITTEE SHOULD PROVIDE OVERALL LEADERSHIP TO THE DEPARTMENTS IN THE DEVELOPMENT OF PERFORMANCE INDICATORS. IT IS ESSENTIAL THAT THESE INDICATORS REFLECT WHAT IS BEING DONE IN THE PROGRAMS, SO THAT MEANINGFUL COMPARISONS CAN BE MADE WITH THE GOVERNMENT'S OVERALL POLICY GOALS. IT IS ALSO ESSENTIAL, IN MY VIEW, THAT THE INDIVIDUAL PROGRAM MANAGERS SHOULD BE CLEARLY AND DIRECTLY INVOLVED IN THE DEVELOPMENT OF THE INDICATORS AND THE APPLICATION OF THESE INDICATORS IN THE MEASUREMENT OF PROGRAM PERFORMANCE."

AS PROOF OF HIS COMMITMENT A TENDER CALL HAS GONE OUT FROM THE YUKON GOVERNMENT FOR A PROGRAM EVALUATION CONTRACT. I QUOTE THE FIRST TWO PARAGRAPHS OF THAT TENDER CALL:

> PROPOSALS ARE REQUESTED FROM CONSULTANTS WHO CAN PROVIDE PROGRAM REVIEW AND EVALUATION SKILLS IN THE ESTABLISHMENT OF A PROGRAM EVALUATION PROCESS IN THE GOVERNMENT OF YUKON.
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> WORK WILL BE CONCERNED WITH THE REVIEW OF PERFORMANCE INDICATORS CURRENTLY USED BY 6 SELECTED PROGRAMS IN THE GOVERNMENT, DEVELOPMENT OF MORE ACCURATE INDICATORS AS REQUIRED AND EVALUATION OF THE SELECTED PROGRAMS AGAINST THE APPLICATION OF THE INDICATORS TO THE OVERALL OBJECTIVES OF THE PROGRAMS.

THE PUBLIC ACCOUNTS COMMITTEE IS VERY ENCOURAGED THAT THE GOVERNMENT HAS FINALLY TAKEN ACTION ON THE COMMITTEE'S RECOMMENDATIONS REGARDING A PERFORMANCE MEASUREMENT SYSTEM AND LOOKS FORWARD TO SEEING SOME PRACTICAL AND FEASIBLE RESULTS IN THE NEAR FUTURE.